

A study on Consumer Perception towards E-Shopping

K. Rama Mohana Rao

Professor,
Department of Commerce and Management Studies,
Andhra University,
India.

krmrao22@gmail.com.

Chandra Sekhar Patro (Corresponding Author)

Assistant Professor,
Department of Management Studies,
Gayatri Vidya Parishad College of Engineering (A),
India.

patrocs@gmail.com.

Structured Abstract:

Purpose: The study focuses on identifying and analyzing the various factors influencing the consumers' perception towards e-shopping on different products available in the online retail market.

Design / methodology / approach: A research model is developed based on the literature. Instrument item scales to measure all constructs in the model were adapted from prior studies for which an online structured questionnaire was sent by e-mail to consumer panel ($n=280$) and the results were analyzed using SPSS 20.0.

Findings: The results reveal that the six key factors like convenience, website design, delivery, price advantage, reliability, and responsiveness significantly influenced the consumer's perception on e-shopping.

Originality / Value: The study presents a comprehensive model of e-shopper perception. The results of this study provide a valuable reference to the e-marketers to understand the factors influencing consumer satisfaction, they can further sharpen their marketing strategies to attract and retain customers.

Keywords: Consumer, E-commerce, E-shopping, Perception, Satisfaction.

Paper: Research Paper.

Introduction

Internet as global communication medium has increasingly been used as an innovative tool for marketing of goods and services. Purchasing via the Internet is one of the most rapidly growing forms of shopping, with sales growth rates that outpace buying through traditional retailing (Levy & Weitz, 2001). In the world wide, consumers are rapidly adopting e-shopping and it has become more popular in India also. In the past few years the whole concept of shopping has been altered in terms consumer perception in buying. With the increasing urbanization, the consumer's are emerging more and more trend-conscious.

Consumer perception involves the study of how people buy, what they buy, when they buy and why they buy. It blends the elements from psychology, sociology, socio-psychology, anthropology and economics (Bhattacharya & Sen, 2003). It also tries to assess the influence on the consumer from groups such as family, friends, reference groups and society in general. Consumers can either be subjective or objective, testing the persuasiveness of brand names.

Retail stores selling the products also play an important role in swaying the decisions of consumers. With the rise of e-shopping and its long-term potential in the retail industry, many players are interested in the changes that it will bring about. To promote e-retailing the marketing agents are eager to identify its advantages and limitations compared to traditional shopping, and the factors influencing the adoption and usage of e-shopping (Aaker & Joachimsthaler, 2000). If online marketers and retailers know and understand the key variables influencing the consumers' perception on e-shopping, they can further develop their marketing strategies to attract and retain more and more customers (Patro, 2016).

Furthermore, consumers may choose particular products/brands not only because these products provide the functional or performance benefits expected, but also because products can be used to express consumers' personality, social status or affiliation or to fulfill their internal psychological needs, such as the need for change or newness. It also provides consumer more information and choices to compare product and price, more choice, convenience, easier to find anything online. This study empirically assesses the factors that influence the consumers' perception on e-shopping.

Literature Review

Many researchers have tried to identify the factors that lead to customer satisfaction and perception of the difficulties that preventing the development of online shopping. Schiffman, Scherman, & Long (2003) revealed that the individuals attitudes do not, by themselves, influence one's intention and/or behavior. Instead that intention or behavior is a result of a variety of attitudes that the consumer has about a variety of issues relevant to the situation at hand, in this case online buying. Jusoh and Ling (2012) investigated how socio-demographic (age, income, occupation, types of goods, e-commerce experience and hours use on internet), purchase perception (product perception, customer service and consumer risk) and also the website quality (Bhatnagar, Misra, & Rao, 2000) influence consumer's attitude towards online shopping. Keisidou, Sarigiannidis, & Maditinos (2011) revealed that there is significant relationship between e-commerce experience, customer service and attitude

towards online shopping among the respondents. It is also found that there was no significant relationship between risk, types of goods group and attitude towards online shopping among the respondents (Delafrooz, Paim, Haron, Sidin, & Khatibi, 2009). The female shop more from online method hence online shopping organizations should focus more on female customer (Hardia and Sharma, 2013).

Haq (2014) revealed that the perception of online shoppers is independent of their age and gender but not independent of their qualification and income on gender. Four key dimensions (website quality, commitment factor, customer service and security) of online shopping are identified and more specifically, consumers' perceptions of the customer service, commitment and web security of online purchasing exhibit significant relationships with their online buying intention. Ranganathan and Ganapathy (2002) identified that the website dimensions such as purchase intention, security and privacy have greater impact on the purchase behavior of online buyers. Minjoon, Zhilin, & Daesoo (2004) exposed six key online retailing service quality dimensions as perceived by online customers: reliable/prompt responses, access, ease of use, attentiveness, security, and credibility. The results reveal that there is significantly a positive relationship between the overall service quality and satisfaction.

Gupta and Khincha (2015) identified that time saving and cash on delivery facilities are major factors that influence the online shopping behavior of customers and are satisfied with online shopping. The other attributes like appropriate pricing, responsibility, website information quality, and reliability should also be added into the websites since people consider these variables to support their decision. Jiradilok, Malisawan, Madan, and Sivaraks (2014) stated that variety, website system quality, and tangibility have no influence on purchasing intention in customer's decision even though the respondents were quite satisfied with these dimensions. Yulihasri, Islam and Daud (2011) identified that ease of use, compatible, privacy, security, normative beliefs, self-efficacy, and attitude also influenced the customer's buying intention on shopping online. Liao and Cheung (2001) prove that the life content of products, transactions security, price, vendor quality, IT education and Internet usage significantly affect the initial willingness of consumers to shop on the internet. The factors that influenced or prevented online consumer behaviors need to be carefully concerned by the online retailers, who can utilize the appropriate marketing communications to support the customer's purchase decision making process and improve their performance (Mittal, 2013).

Chang, Cheung, and Lai (2005) classified the determinants of e-shopping behavior into three categories: perceived characteristics of the web as a sales channel, vendor and product characteristics, and online consumer characteristics. The spatial attributes did not have a significant influence on online buying, and the intra-metropolitan and inter-metropolitan differences were attributable to confounding factors (Krizek, Li, & Handy, 2005). According to Hansvander, Tibert, & Marcel (2003), perceived risk and perceived ease-of use are antecedents of attitude towards online purchasing. The effect of perceived risk was strongly negative in both cases, and the effect of perceived ease-of-use was positive in one case. Trust in store is indirectly related to a positive attitude through its direct negative effect of perceived risk. The e-shopping intention is not affected by perceived benefits and has positive impact on attitude towards online shopping (Shahriar & Masoud, 2010).

Research Gap

An increasing number and a variety of organizations are exploiting and creating business opportunities on the Internet in the field of virtual shopping. With this emerging field of shopping, the interest of marketers is also increasing in studying what actually motivates the consumers to shop online. Fierce competitions among e-sellers have forced them to gain the competitive edge in the field of virtual shopping. If the marketers want to gain a competitive advantage in the marketplace, they need to know consumer perception towards e-shopping. Therefore, it is very important variable to analyze and identify the impact of consumers in order to grasp the needs of consumers shopping online. So, the main research problem is: will the convenience, website design, delivery, time saving, financial advantage, reliability, and responsiveness have influence on the customers' perception towards online shopping?

Objective of the Study

The objective of the study is to identify the key factors influencing the consumer's perception towards online shopping of different products or services available in the retail market.

Research Framework and Hypothesis

This study is focused on assessing the importance of six factors such as convenience, website design, delivery, price advantage, reliability, and responsiveness. Figure 1 portrays the research framework for understanding the consumer perception regarding e-shopping.

The following hypothesis has been formulated to establish relationship between the different factors and customer perception.

- H₁ = Convenience is not significantly related to customer perception on e-shopping.
- H₂ = Website Design is not significantly related to customer perception on e-shopping.
- H₃ = Delivery is not significantly related to customer perception on e-shopping.
- H₄ = Time saving is not significantly related to customer perception on e-shopping.
- H₅ = Financial Advantage is not significantly related to customer perception on e-shopping.
- H₆ = Reliability is not significantly related to customer perception on e-shopping.
- H₇ = Security is not significantly related to customer perception on e-shopping.

Methodology

The present study is based on quantitative research approach and the data was collected from primary sources. The primary data collection method includes a questionnaire, which was distributed to the customers' (Internet users) to know their perception towards purchasing products online. A simple random sampling technique was adopted to get the required information. The study is confined to the students pursuing their graduation and post graduation from different colleges in Visakhapatnam city of Andhra Pradesh, India. The questionnaire was constructed in simple language and designed carefully in order to reduce the risk of ambiguity. The questions are taken from previous literature on consumer's perception towards e-shopping with a view to validate the research more and some of the questions are self structured to cover the diversity of research problems. The questions are constructed with 5 point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The valid responses from 280 students were received and considered to analyze the consumer's perception towards e-shopping. The impact of the key factors on consumers' perception is analyzed using t-statistic test. The information collected is carefully computed, classified, analyzed and interpreted using SPSS 20.0 software.

Statistical Analysis

An analysis based on the responses from the internet users was made to know the different factors influencing the consumers to shop online. The demographic profile of the respondents reveals that 53 percent ($n=148$) are males and 47 percent ($n=132$) are females. The average age of the respondents is 20 years. The study identified six key factors such as convenience, website design, delivery, pricing advantage, reliability, and responsiveness, from the

literature in the field of consumer attitudes towards e-shopping. The consumers' perception on different factors driving them towards e-shopping is shown in Table 1.

The study found that all the six factors are significantly influencing consumer perception. The facility to purchase products at anytime and anywhere ($\mu=4.26$) has major influence, and takes less time to shop ($\mu=3.84$) has relatively low influence on convenience factor. Categorizing the products for easy navigation ($\mu=3.75$) has major influence, and online store has well organized user interface ($\mu=3.38$) has low influence on website design factor. The products delivered are well packaged ($\mu=4.18$) has major influence, and products are not damaged or broken in delivery ($\mu=3.38$) has low influence on delivery factor. Provides attractive discounts and exchange offers ($\mu=4.19$) has major influence, and eliminates taxes and transaction costs ($\mu=3.89$) has low influence on price advantage factor. The online store fulfills the commitments it assumes ($\mu=4.04$) has major influence, and uses a certified payment gateway mechanism ($\mu=3.45$) has low influence on reliability factor. Provides with timely and real-time information ($\mu=3.75$) has major influence, and provides fair user or experts reviews on the product ($\mu=3.36$) has low impact on responsiveness factor.

Results and Discussion

The findings of the study established the fact that consumer perception on e-shopping depends upon different factors which can be broadly identified as convenience, website design, delivery, price advantage, reliability, and responsiveness. Table 2 depicts the results of the hypothesis set for the study which clearly establishes the fact that all the six factors have significant influence on e-shoppers perception. Out of the six factors, convenience is the most influencing one as this factor got a mean value of 4.05 out of 5. The second most influencing factor is price advantage with a mean value of 4.01. The factor that occupies the third place in influencing the consumer perception is delivery with a mean value of 3.58. Reliability occupies the fourth place with a mean value of 3.77. Website design is at fifth place with a mean value of 3.60, while responsiveness at sixth position with a mean value of 3.57. Thus, convenience, price advantage, and delivery are the top three factors influencing consumer perception towards e-shopping.

Conclusion

Online shopping is becoming more popular day by day with the increase in the usage of World Wide Web. Understanding the needs of a consumer for e-selling have become

challenge for the retail marketers', especially identifying the consumer's purchasing behaviour about online shopping. Making some improvements in the different factors that influence the consumers to shift towards e-shopping and working more on the indicators that affect consumers to shop online will help marketers to gain the competitive edge over others.

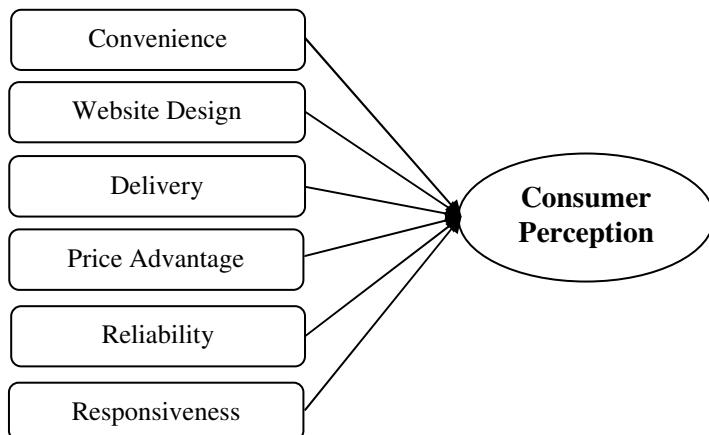
Generally speaking, in the present scenario e-shopping is in very good condition. According to the study, most of the respondents are satisfied with the current conditions. But there still have several indicators that are needed to be improved. Due to increase in e-shopping websites, the in-store shoppers need to attract the consumers with more attractive offers and quality products. This study is expected to help other researchers to concern deeper about the factors which influence customers` perceptions towards e-shopping.

References

- Aaker, D. J., & Joachimsthaler, E. (2000). The brand relationship spectrum: the key to the brand architecture challenge, *California Management Review*, 42, 8-23.
- Bhatnagar, A., Misra, S., & Rao, H. R. (2000). Online risk, convenience, and Internet shopping behaviour. *Communications of the ACM*, 43(11), 98-105.
- Bhattacharya, C. B., & Sen, S. (2003). Consumer-company identification: a framework for understanding consumers' relationships with companies. *Journal of Marketing*, 67, 76- 88.
- Chang, M., Cheung, W., & Lai, V. S. (2005). Literature derived reference models for the adoption of online shopping. *Information & Management*, 42, 543-559.
- Delafrooz, N., Paim, L. H., Haron, S. A., Sidin, S. M., & Khatibi, A. (2009). Factors affecting students' attitude toward online shopping. *African Journal of Business Management*, 3(5), 200-209.
- Gupta, D. K., & Khincha, P. K. (2015). Factors Influencing Online Shopping Behavior of Customers: An Empirical Study. *Common Wealth Journal of Commerce & Management Research*, 2(7), 39-50.
- Hansvander, H., Tibert, V., & Marcel, C. (2003). Understanding online purchase intentions: contributions from technology and trust perspectives. *European Journal of Information Systems*, 12, 41-48.
- Haq, Z. U. (2014). Perception towards Online Shopping: An Empirical Study of Indian Consumers. *Journal of Research in Commerce & Management*, 1(8), 9-22.
- Hardia, A., & Sharma, K. (2013). Empirical Study of Factors Affecting Online Shopping amongst Youths. *Global Journal of Management and Business Studies*, 3(2), 91-96.

- Jiradilok, T., Malisuwat, S., Madan, N., & Sivaraks, J. (2014). The Impact of Customer Satisfaction on Online Purchasing: A Case Study Analysis in Thailand. *Journal of Economics, Business and Management*, 2(1), 5-11.
- Jusoh, Z. M., & Ling, G. H. (2012). Factors Influencing Consumers' Attitude towards E-Commerce Purchases Through Online Shopping. *International Journal of Humanities and Social Science*, 2(4), 223-230.
- Keisidou, E., Sarigiannidis, L., & Maditinos, D. (2011). Consumer characteristics and their effect on accepting online shopping in the context of different product types. *International Journal of Business Science and Applied Management*, 6(2), 31-51.
- Krizek, K. J., Li, Y., & Handy, S. L. (2005). Spatial attributes and patterns of use in household related information and communications technology activity, *Transportation Research Record*, 19(26), 252-259.
- Levy, M., & Weitz, B. A. (2001). *Retailing management*. Boston, Mass: Irwin/McGraw-Hill.
- Liao, Z., & Cheung, M. T. (2001). Internet-based e-shopping and consumer attitudes: An empirical study. *Information & Management*, 38, 299-306.
- Minjoon, J., Zhilin, Y., & DaeSoo, K. (2004). Customers' perceptions of online retailing service quality and their satisfaction. *International Journal of Quality & Reliability Management*, 21(8), 817-840.
- Mittal, A. (2013). E-commerce: It's Impact on consumer Behavior. *Global Journal of Management and Business Studies*, 3(2), 131-138.
- Patro, C. S. (2016). Attitudes of E-Shoppers and Non E-Shoppers towards E-Shopping: A Comparative Study. *International Journal of Cyber Behavior, Psychology and Learning*, 6(2), 95-107.
- Ranganathan, C., & Ganapathy, S. (2002). Key dimensions of business-to-consumer web sites. *Information and Management*, 39(6), 457-465.
- Schiffman, L. G., Sherman, E., & Long, M. M. (2003). Toward a better understanding of the interplay of personal values and the Internet. *Psychology & Marketing*, 20(2), 169-186.
- Shahriar, A., & Masoud, J. (2010). Measuring e-shopping intention: An Iranian perspective. *African Journal of Business Management*, 4(13), 2668-2675.
- Yulihasri, M., Islam, A., & Daud, K. A. (2011). Factors that Influence Customers' Buying Intention on Shopping Online. *International Journal of Marketing Studies*, 3(1), 128-139.

Figure 1
Research Framework of Consumer Perception



Source: Authors' compiled

Table 1
Factors Influencing Consumers' Perception

Factors	Mean	SD	t-value
Convenience			
Purchase the products anytime (24/7) and any where	4.26	0.52	43.14
Provides accessibility to wide range of products	4.14	0.55	38.46
Provides detailed and true information on products	4.01	0.69	31.51
Comparison and selection of different products is possible	3.98	0.71	29.09
Online purchase takes less time	3.84	0.75	25.81
Website Design			
Categorizes the products for easy navigation	3.75	0.75	28.89
Updates the website with latest information	3.70	0.79	28.36
Provides with easy-to-follow search paths	3.60	0.86	27.53
Online store has visually appealing and attractive features	3.56	0.89	26.73
Online store has well organized user interface	3.38	0.98	22.71
Delivery			
The products delivered are well packaged	4.18	0.66	41.51
Get on-time delivery of products	4.03	0.71	35.81
Exact match between products ordered and delivered	3.91	0.75	33.34
Availability of free shipping for delivery of products	3.78	0.81	25.29
Products are not damaged or broken in delivery	3.49	0.86	22.93
Price Advantage			
Provides attractive discounts and exchange offers	4.19	0.58	42.05
Facilitates payment after delivery of products	4.12	0.61	36.12
Offers the products relatively at a lower price	4.06	0.65	31.63
Availability of various modes of payments	4.01	0.69	26.72
Eliminates taxes and transaction costs	3.89	0.75	22.91
Reliability			

The online store fulfills the commitments it assumes	4.04	0.64	36.01
Shopping can be made in privacy at home with family	3.93	0.69	33.69
Customers personal information is kept confidential	3.76	0.73	28.84
Maintains quality and error-free transactions	3.65	0.76	25.69
Uses a certified payment gateway mechanism	3.45	0.81	21.37
Responsiveness			
Provides with timely and real-time information	3.75	0.78	32.98
The required information can be retrieved rapidly	3.70	0.72	30.36
Prompt response to customer enquiries and queries	3.65	0.66	28.37
Shows interest in solving customer problems quickly	3.48	0.54	25.71
Provides fair user or experts reviews on the product	3.36	0.44	22.35

All the t-values are significant at $p < 0.01$.

Source: Primary Data

Table 2
Results of the Hypotheses

Hypothesis	Factor	Mean	SD	t-value	Result
H1	Convenience	4.05	0.64	33.60	Rejected
H2	Website Design	3.60	0.85	26.84	Rejected
H3	Delivery	3.88	0.76	31.78	Rejected
H4	Price Advantage	4.01	0.66	31.89	Rejected
H5	Reliability	3.77	0.73	29.12	Rejected
H6	Responsiveness	3.57	0.63	27.95	Rejected

All the t-values are significant at $p < 0.01$.

Source: Primary Data