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Factors influencing consumers' attitude towards e-commerce Purchases through online shopping in Virudhunagar district

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Abstract

Online shopping is the process of buying goods and services from merchants who sell on the internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer. The main purpose of this study is to determine the factors influencing consumers' attitude towards e-commerce purchases through online shopping. The study also investigate how socio-demographic (age, income and occupation), pattern of online buying (types of goods, e-commerce experience and hours use on internet) and purchase perception (product perception and customers' service) affect consumers' attitude towards online shopping. Convenience sampling method was conducted in this study and the sample comparison of 100 respondents in Virudhunagar District. Data were collected via self-administered questionnaire which contains 15 questions in Part A (respondents' background and their pattern of using internet and online buying), 34 questions in Part B (attitude towards online purchase) and 36 questions in Part C (purchase perception towards online shopping). One-way ANOVA were used to assess the differences between independent variable such as age, income, occupation and pattern of online buying (type of goods) and dependant variable such as attitude towards online shopping. Further study should explore other factors that influencing consumers' attitude towards e-commerce purchases through online shopping with a broader range of population and high representative sampling

method.

Key words: Online shopping, E-commerce

Introduction

Internet is one component which has recently become the key element of quick and rapid lifestyle. Be it for communication, connecting with people or for official purposes, 'internet' has become the central-hub for all. While interactions in the real world shopping are mainly based on face-to-face activities between consumers and service providers, interactions in electronic commerce take place mainly through the retailer's website. This study investigated the relationship between various characteristics of online shopping and customer purchase behavior. Results of this study shows about the behavior of customers' towards online shopping and future of online shopping in India.

Online shopping or electronic shopping is a part of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet. Michael Aldrich invented online shopping concept in 1979. The prospect of online marketing is increasing in India with the increasing internet literacy. Online shopping is also known as: e-web-store, e shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business to- consumer (B2C) online shopping. The popular online retailing companies in India are Myntra, Jabong, Alibaba.com, Snap deal, Amazon.com and e-Bay. With the growth of online shopping, the general retailers also make available their products on online shopping sites to capture the market more.

Need for the study

"An increasing number and variety of firms and organizations are exploiting and creating business opportunities on the Internet", Liao and Cheung (2000:299). With this

emerging field of shopping the interest of marketers is also increasing in studying what actually motivates consumers to shop online. Fierce competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping.

In order to gain competitive edge in the market, marketers need to know the consumer behavior in the field of online shopping. So it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers. Other than the factors which influence consumers to shop online, online shopper's demography in terms of Age, gender, income and education is equally important to define their strategies accordingly.

As online shopping is a new medium so the consumer behavior in the field of online shopping is also pretty diverse in nature compare to traditional consumer behavior, so it is equally important for one to identify what factors influence consumers to shop online. In order to reach towards purchase decision, it consists of several factors which influence consumers to shop online. These factors are important for retailers to compete in the market and to make their product more compatible.

Objectives

- To investigate how socio-demographic (age, income and occupation) affect consumers' attitude towards online shopping.
- To probe how the pattern of online buying (types of goods, e-commerce experience and hours use on internet) influence consumers' attitude towards online shopping.
- To examine how purchase perception (product perception and customer service) influence consumers attitude towards online shopping.

Hypothesis

Ho1: There is no significant difference between age and attitude towards online shopping.

Ho2: There is no significant difference between income and attitude towards online

shopping.

Ho3: There is no significant difference between occupation and attitude towards online shopping.

Ho4: There is no significant difference between pattern of online buying (types of goods) and attitude towards online shopping.

Ho5: There is no significant relationship between e-commerce experience and attitude towards online shopping.

Ho6: There is no significant relationship between hours spent on internet and attitude towards online shopping.

Ho7: There is no significant relationship between product perception and attitude towards online shopping.

Ho8: There is no significant relationship between customer service and attitude towards online shopping.

Literature Review

Several researchers have carried out studies in their effort to examine the factors influencing consumers' attitude and perception to make e-commerce purchases through online shopping. Attitudes toward online shopping are defined as a consumer's positive or negative feelings related to accomplishing the purchasing behavior on the internet (Chiu et al., 2005; Schlosser, 2003). Buying trends and internet adoption indications have been seen as the overall electronic commerce value in Malaysia rising from US\$18 million in 1998 to US\$87.3 million in 1999 (Mohd Suki et al., 2006). In order to investigate consumers' attitudes, we need to know what characteristics of consumers typically online shopping is and what their attitude in online shopping is. In simple terms, this means that there is no point having an excellent product online if the types of consumers who would buy it are unlikely to be online.

On top of that, Bellman (1999) investigated various predictors for whether an

individual will purchase online. These authors concluded that demographic variables such as income, education and age have a modest impact on the decision of whether to buy online whereas the most important determinant of online shopping was previous behavior such as earlier online purchases. This is consistent with Forrester Research which proved that demographic factors do not have such a high influence on technology as the consumers' attitudes do (Modahl, 2000).

According to the study which was done by Master Card Worldwide Insights (2008), the product and services most frequently bought online among Asia/Pacific online shoppers are books and art (41%), home appliances and electronic products (39%), CDs/DVDs/UCDs (38%) and ladies clothing/accessories (38%). Opportunistic buying as a whole does not seem to be a major factor for many online shoppers: 41% bought on impulse just a couple of times, while 34% hardly ever bought on impulse. Similar to the types of products frequently purchased online, items most likely to result in opportunistic buying were ladies clothing and accessories, home appliances and electronic products and CDs/DVDs/VCDs.

In addition, consumers' previous experiences with online purchases or lack thereof can be a significant influence on levels of risk perception by consumers and their purchasing decisions (Dillon, 2004). Negative experiences increase levels of risk perception with online purchasing and hamper not only a business's likelihood of retaining customers but can make it more difficult for other online businesses to gain initial customers (Boyer, 2005).

According to Leggatt (2010), a quarter of U.S. adults have increased the amount of time they spend online shopping (24%) and reading product reviews (25%), found Harris Interactive online survey. Younger adults, aged 18-34, have increased their time spent doing both of these activities more than older adults, leading to speculation that this trend will continue. Americans are spending more time researching purchases and shopping online, according to Harris Poll findings, and many are feeling the social consequences of life in

front of a monitor.

It has been reported that consumers have a low perception and trust of online merchants, making them unwilling to make purchases online. The results of a survey of 9700 online consumers showed that three out of five respondents did not trust web merchants (Belanger, Hiller, & Smith, 2002) Apart from that, customer service affects purchase decisions through vendor knowledge, responsiveness and reliability (Baker, Levy, and Grewal, 1992; Gefen, 2002). Internet purchases of tangible goods present unique challenges when compared with traditional „brick and mortar“ retail store purchases. Consumers do not have the opportunity to physically inspect goods purchased over the internet prior to purchasing them (Jarvenpaa and Todd, 1996-97). Instead, internet purchasers must rely on mediated representations of the goods being purchased, are normally dependent on third parties for delivery of purchased goods and may question the convenience of product returns. Customer service variables of vendor knowledge, responsiveness (delivery time and return convenience) and reliability are examined in this study.

Lastly, the concept of risk is important for understanding how internet consumers make choices (Hasan and Rahim 2004). Shopping environments on the internet may be uncertain for the majority of online shoppers especially if they are novices. The risk may then be defined as the subjectively-determined expectation of loss by an online purchaser in contemplating a particular online purchase. Amongst the identified perceived risk are financial, product performance, social, psychological and time/ convenience loss. Financial risk stems from paying more for a product than being necessary or not getting enough value for the money spent (Roehl and Fesenmaier 1992).

Methodology

1. **Study Area:** Respondents were selected from Virudhunagar District in Tamilnadu by the researcher because it is convenience for the researcher and the accessibility and coverage is

broad enough. Researcher was survey the factors influencing consumers attitude and perception to make e-commerce purchase through online shopping from range of age in this area. This is to avoid bias for surveying all the respondents from only a certain range of age only.

2. Sampling Method: This study was conducted by convenience sampling method because of the unavailability of the list online shopper that involved in online purchases. There were 100 respondents in this research study. The respondents were drawn from different occupational categories, education, age, gender or ethnic categories.

3. Instruments

The main instrument for this study was a questionnaire. The questionnaire aimed to gather information about respondents' socio-demographic background, attitude towards online shopping and purchase perception towards online shopping. The questions were developed based on literature review which found to have high readability and good validity.

4. Data Collection and Data Analyze

Self-administered questionnaire was used for this study in order to obtain data. The questionnaire was conducted in English which is consisted of both open-ended and close-ended questions. The data were analyzed using the "Statistical Package for the Social Sciences" (SPSS for Windows version 13). One-way ANOVA was used to assess the differences between independent variable such as age, income, occupation and pattern of online buying (type of goods).

I. To investigate how socio-demographic (age, income and occupation) affect consumers' attitude towards online shopping.

H01: There is no significant difference in attitude towards online shopping among age group. One-way ANOVA was utilized to examine the differences in attitude towards online shopping among age group. The research finding showed that there was no significant difference in attitude towards online shopping among age group ($F = .984, p < 0.05$). Hence, H01 was accepted. This showed that the age of the respondents do not have effect on

consumers' attitude to make e-commerce purchases through online shopping.

H02: There is no significant difference in attitude towards online shopping among income group. One-way ANOVA was utilized to examine the differences in attitude towards online shopping among income group. The research findings showed that there was a significant difference in attitude towards online shopping among income group ($F = 0.543, p > 0.05$). Hence, H02 was rejected. This showed that income have effect on consumers attitude to make e-commerce purchases through online shopping.

H03: There is no significant difference in attitude towards online shopping among occupation group. One-way ANOVA was utilized to examine the differences in attitude towards online shopping among occupation group. The research finding showed that there was no significant difference in attitude towards online shopping among occupation group ($F = 1.348, p < 0.05$). Hence, the null hypothesis was rejected. This showed that the occupation of the respondents do not have effect on consumers' attitude to make e-commerce purchases through online shopping.

II. To probe how the pattern of online buying (types of goods, e-commerce experience and hours use on internet) influence consumers' attitude towards online shopping.

H04: There is no significant difference in attitude towards online shopping among types of goods group. One-way ANOVA was utilized to examine the differences in attitude towards online shopping among types of goods group. The research finding showed that there was no significant difference in attitude towards online shopping among types of goods group ($F = 1.246, p < 0.05$). Hence, the null hypothesis was accepted. This showed that the pattern of online buying (types of goods) of the respondents do not have effect on consumers' attitude to make e-commerce purchases through online shopping.

H05: There is no significant relationship between e-commerce experience and attitude towards online shopping. Pearson Correlation test was utilized to examine the relationship between the e-commerce experience and attitude towards online shopping. The result shows that there was significant relationship between e-commerce experience and attitude towards

online shopping among the respondents ($r = -0.218^{**}$, $p < 0.05$). Hence, the null hypothesis was rejected. This showed that e-commerce experience have effect on consumers' attitude to make e-commerce purchases through online shopping.

H06: There is no significant relationship between hours spent on internet and attitude towards online shopping. Pearson Correlation test was utilized to examine the relationship between hours spent on internet and attitude towards online shopping. The result shows that there was no significant relationship between hours spent on internet and attitude towards online shopping among the respondents ($r = 0.102$, $p > 0.05$). Hence, the null hypothesis was rejected. This showed that the respondents' averaged hours spent on internet do not have effect on consumers' attitude to make e-commerce purchases through online shopping.

III. To examine how purchase perception (product perception, customer service and consumer risk) influence consumers' attitude towards online shopping.

H07: There is no significant relationship between product perception and attitude towards online shopping. Pearson Correlation test was utilized to examine the relationship between product perception and attitude towards online shopping. The result shows that there was significant relationship between e-commerce experience and attitude towards online shopping among the respondents ($r = 0.462^{**}$, $p < 0.01$). Hence, the null hypothesis was rejected. This showed that product perception have effect on consumers' attitude to make e-commerce purchases through online shopping.

H08: There is no significant relationship between customers' service and attitude towards online shopping. Pearson Correlation test was utilized to examine the relationship between customers' service and attitude towards online shopping. The result shows that there was significant relationship between customers service and attitude towards online shopping among the respondents ($r = 0.447^{**}$, $p < 0.01$). Hence, the null hypothesis was rejected. This showed that customers' service have effect on consumers' attitude to make e-commerce purchases through online shopping.

Table 1
Summary of Statistical Analysis of Hypothesis

Specific objective	Hypothesis	Statistical test	Result	Discussion
To investigate how socio-demographic (age, income and occupation) affect consumers attitude towards online shopping	Ho1: There is no significant difference between age and attitude towards online shopping	One-way ANOVA	F = 0.984 P < 0.05	Accepted
	Ho2: There is no significant difference between income and attitude towards online shopping	One-way ANOVA	F = 0.543 P > 0.05	Rejected
	Ho3: There is no significant difference between occupation and attitude towards online shopping	One-way ANOVA	F = 1.348 P < 0.05	Accepted
To probe how the pattern of online buying (types of goods, e-commerce experience and hours use on internet) influence consumers' attitude towards online shopping	Ho4: There is no significant difference between pattern of online buying (types of goods) and attitude towards online shopping	One-way ANOVA	F = 1.246 P < 0.05	Accepted
	Ho5: There is no significant relationship between e-commerce experience and attitude towards online shopping	Pearson Correlation Test	r = -0.218 ** P < 0.05	Rejected
	Ho6: There is no significant relationship between hours spent on internet and attitude towards online shopping	Pearson Correlation Test	r = 0.102 P > 0.05	Accepted
To examine how purchase perception (product perception and customer service)	Ho7: There is no significant relationship between product perception and attitude towards online shopping	Pearson Correlation Test	r = 0.462** P < 0.01	Rejected
	Ho8: There is no significant relationship between customer service and attitude towards online shopping	Pearson Correlation Test	r = 0.447** P < 0.01	Rejected

Conclusion

Eventually, from the eight hypotheses that have been formed, only four hypotheses were rejected via the statistical analysis. The first specific objective is to investigate how demographic (age, occupation and income) affect consumers' attitude towards online shopping. From the research, it found that there was no significant difference in attitude towards online shopping among age group ($F = 0.984, p < 0.05$). Hence, it was accepted. However, there was a significant difference in attitude towards online shopping among income group ($F = 0.543, p > 0.05$). Hence, it was rejected. The result also indicated that there was no significant difference in attitude towards online shopping among occupation group ($F = 1.348, p < 0.05$). Hence, it was accepted. The second specific objective is to probe how the pattern of buying online (types of goods, e-commerce experience and hours use on internet) influence consumers' attitude towards online shopping.

The research finding showed that there was no significant difference in attitude towards online shopping among types of goods group ($F = 1.246, p < 0.05$). Hence, it was accepted. However, there was significant relationship between e-commerce experience and attitude towards online shopping among the respondents ($r = -0.218^{**}, p < 0.05$). Hence, it was rejected. Also, there was no significant relationship between hours spent on internet and attitude towards online shopping among the respondents ($r = 0.102, p > 0.05$). Hence, it was accepted. The third specific objective is to examine how purchase perception (product perception, customer service and consumer risk) influence consumers' attitude towards online shopping. The result findings show that there was significant relationship between e-commerce experience and attitude towards online shopping among the respondents ($r = 0.462^{**}, p < 0.01$). Hence, it was accepted. Same result obtained for relationship between customer service and attitude towards online shopping, there was significant relationship between customer service and attitude towards online shopping among the respondents ($r = 0.447^{**}, p < 0.01$). Hence, it was accepted. There are few reasons why investigating on factors that influencing consumers attitude towards online shopping is important.

From the marketer's perspective, they will more understand the attitude of the consumers towards online shopping as well as the factors influencing consumers to make e-commerce purchases. From the result, they can know that e-commerce experience, product perception and customer service have significant relationship with attitude towards e-commerce purchases through online shopping. On top of that, they can also know that the consumers who purchase online are more likely to buy clothes, book and make travel booking. From the consumer's perspective, they will know that there are many advantages of online shopping such as it will be more convenience shopping on the internet and there is no crowd of people when shopping through online. This research can make the consumers aware that e-commerce is becoming an important trend in this modern information technology society.

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