

Consumer Attitude towards Online Shopping – A Case Study

Poonam Deshprabhu – Sadekar¹ and Naila Pereira²

¹ Assistant Professor, Department of BBA (Travel & Tourism), St. Xavier's College,
Mapusa – Goa, India

² Assistant Professor, Department of M.Com, St. Xavier's College,
Mapusa – Goa, India

Abstract

Online shopping is a global emergent trend. The purpose of the research paper was to identify the prominent factors that influence online shopping behaviour. For this research the factors that were identified and analysed include customer's demographic characteristics, customer attitude, reasons and perceptions. A structured questionnaire was administered to 300 customers from North Goa using convenience sampling which provided 280 usable responses. Data collected was analysed using SPSS (version 21). Results indicate that surfing the internet takes place irrespective of age and gender. Moreover, the dominant factors that influence online shopping are security, worth for money, comparison, e-loyalty and personalised attention. The study further highlights that outpouring use of smart phones, social media sites, user-friendly platform, 24x7 access and comfort of internet browsing which has been further boosted by Wi-Fi – an easily available feature has fostered and intensified the demand of online shopping leading to a decline in the brick-and-mortar shopping.

Key words: *Online-shopping, consumer's attitude, perceptions, services and e-commerce.*

1. Introduction

E-commerce has become one of the important hallmarks in the 21st Century which has revolutionised innovative business models. Demanding lifestyle and abundant choice of products/ services have paved the way for the global online shopping trend. In India online shopping has gained popularity and consumers prefer buying by browsing the internet. The wide use of internet and rapid growth of technology have created new market

for both the consumers and business, due to this retail brands have experienced a significant change over the last few decades. The internet as a global medium is quickly gaining interest and attractiveness as the most revolutionary marketing tool (Salehi, 2012). Many companies started retail business through hosting their own websites including large variety of products and services along with attractive offers to the customers. This intense shift of e-stores has emerged to meet the demands of large segments of customers.

Winnie, (2014) investigation highlighted that interface quality is positively related with e-loyalty and e-satisfactions. The satisfaction level of the consumer is directly related to factors like more feature and facility in web purchasing (Singhal S, Shekhawat S, 2014).

The entry of e-commerce is low in India as compared to markets like the United States and the United Kingdom but is growing at a much faster rate with a large number of new entrants (Malhotra B., 2014). Though the population of using Internet in India is low in terms of by and large percentage of total population but, in total numbers it is very high. There is been growth in the increase of Indian middle class people using internet due to rapid economic growth. This gives enormous opportunities for various e-commerce sites to get in touch with this segment. Online shopping is having very bright future in India (Nagra G. & Gopal R., 2013). Perception towards online shopping is a changing phenomenon in India. With the use of internet, consumer can shop anywhere, anything and anytime with easy and safe payment option (Sharma C, 2015).

The result of the study by Dahiya R, (2012) concluded that online shopping in India is significantly affected by various demographic factors

like age, gender, marital status, family size and income. Youth is the major segment using internet shopping (Sharma and Mehta, 2014). There are two factors mainly influencing the consumers for decision making: risk aversion and innovativeness (Sharma C, 2015). Most number of users are happy with online shopping and prefer buying online apparels (S. Prashant, 2014). Immense research studies concluded that security, efficient quality and experience had a significant effect over the online purchasing conduct. In this era of competition the online market should concentrate on customer satisfaction to keep their existing customer and encompass offers, new schemes regularly to attract new customer (Goswami A, Baruah P. and Borah S, 2013).

2. Consumer behaviour and attitude

Understanding consumer behaviour is an essential factor that has a direct impact on the overall performance of the businesses. Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and organize ideas, goods and services to satisfy their needs and wants. It also describes how consumers make purchase decisions. Analysis have proved that post-purchase decision is perhaps one of the most important stage in the consumer decision making processes it directly affects the consumers' purchases of the same product or service from the same supplier in the future.

Further according to marketing terms consumer attitude refer to the mental position or emotional feelings about products, services, companies, ideas, issues, or institution. Attitudes are formed by demographics, social values, and personality. As the consumer try to evaluate a product, service, or the like, he / she will develop an attitude about the thing being evaluated.

3. Statement of the problem

With advancement in technology, high standards of living, more purchasing power and time-constraint has lead to the trend of people shopping online manifold. Potential buyers and multiple sellers have given rise to the competitive scenario. Analysing the online shopping process, the decision drives and consumers preferences of products/services needs to be captured by the online companies to sustain the cut-throat competition. The goal of this research was to examine the prominent factors and demographic profile (age, gender, income and education) that influence the consumer's attitude towards online shopping in North Goa.

4. Objectives of the study

The following are the objectives of the study:

- Identifying the consumer profile that purchase products from online.
- Determining the factors that influence the consumer preference for online shopping.
- Consumer's satisfaction towards online shopping.

5. Hypotheses of the study

1. Ho: There is no significant relationship between personal factors and the frequency of products/ services purchased online.

2. Ho: There is no significant difference among the age groups, educational qualification and their pre-purchase decision score

3. Ho: There is no significant difference towards the age groups, educational qualification and their on-purchase decision scores.

4. Ho: There is no significant difference towards the age groups, educational qualification and their post-purchase decision scores.

6. Limitations of the study

Though a detailed investigation is made, the present study has got the following limitations -

- The study has been confined to North Goa only. So the result may not be applicable to other areas.
- The study is mainly based on primary data therefore bias and forgetfulness of some respondents might affect the accuracy of data.

7. Literature review

Online- shopping is a computer activity performed by a consumer via a computer based interface, where the consumer's computer is connected to and can interact with a retailer's digital storefront to search, seek and compare information regarding products / services as well as purchase the best products or services through the internet with a single click. Vijay, Sai T. & Balaji, M. S. (2009), revealed that consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. Online shopping has truly revolutionized and influenced our society as a whole.

The use of technology has opened new doors and opportunities that have helped for a more convenient life style today. Variety, quick service and affordable prices were significant ways in which online shopping influence people from all over the world (Jayasubramanian P., et al , 2015).

In the study Saravanan (2015) mentioned that due to the vast usage of internet, the changes are evident in the way goods are purchased and sold, resulting to the exponential growth in the number of online shoppers. The study further declares “about 40 % students use internet in India and overall 72% of young people access internet on regular basis”. One of the most influencing and attractive factor influencing consumers to shop online is website design/features (Sultan M. & Uddin MD, 2011). Hence the back-office e-commerce infrastructure is of crucial importance. Sites delivering superb Web experience designed in a way to address the client’s product needs/ expectations but also assisting the customer through the steps of the buying process. Therefore Web sites are vital instruments of customer service and persuasion (O’Keefe and McEachern, 1998). Other key factors identified for online shopping are convenience, site design, product information, product offering and financial security (Moharrer, Tahayori, Sadeghina, 2013).

Online shopping will take over as the prime marketing and selling channel in India in near future (Silpa K.S., et al, 2016). To support the above statement is the study by Saranya S, Anandh T, (2016) which states that online shopping is a highly preferred compared to other the traditional shopping and customers were satisfied. A good previous experience of consumers, high satisfaction with products/ services and minimum risk builds customer loyalty in the future online transactions (S. Lakshmi, 2016).

The study by Sharma P. (2017) and concluded that the price of the products is one of the most influential factor for online purchase, online shopping is getting popular in the younger generation. Cash on delivery (COD) is the preferred mode of payment for online shopping among consumer due to safety and privacy issue. While Bhatt, (2014), revealed in his study that mode of payment is depended upon income of the respondents. Discounts and offers induces customers to engage in online shopping (Shanthi and Kannaiah, 2015). Offering a wide variety of products creates customer delight thus these websites are highly recommended (Kloppers S, 2014).

One of the prime obstacles in online shopping is that people usually get petrified that personal and account details may get disclosed. Privacy is a sensitive issue and difficult to quantify therefore, confidentiality

should be assured regarding personal information (full name, delivery address and date of birth) and financial information (credit card detail) when shopping online (Nazir S., 2012).

8. DATA ANALYSIS

In order to study the “Consumers’ Attitude towards Online Shopping – A Case Study”, a structured questionnaire was prepared which consists of questions covering personal details, attitude, opinion and satisfaction factors. Total of 300 consumers were randomly selected from North Goa for the purpose of the study and 280 responses were analysed.

Table 1 - Demographic profile of respondents:

Demographic Profile			
Demographic Characteristics		No. of Respondents	Percent age
Age	15 - 25 Years	108	38.6
	26 – 35 Years	59	21.1
	36 – 45 Years	56	20.0
	46 – 55 Years	43	15.4
	56 Years & above	14	5.0
Gender	Male	139	49.6
	Female	141	50.4
Marital Status	Single	128	45.7
	Married	152	54.3
Educati on	Professi onal Degree	60	21.4
	Post Graduation	96	34.3
	Under Graduation	57	20.4
	Diploma	51	18.2
	Schooling	16	5.7
Occupat ion	Government Employee	82	29.3
	Private Employee	74	26.4
	Self Employed	63	22.5
	Home Maker	14	5.0
	Others Specify	47	16.8
Family Annual Income	Less than 1 Lakhs	10	3.6
	More than 1 upto 2 Lakhs	40	14.3
	More than 2 upto 3 Lakhs	69	24.6
	More than 3 upto 4 Lakhs	69	24.6
	More Than 4 Lakhs	92	32.9

Source – Primary Data

From the above table it can be inferred that the age group of 15 – 35 years of respondents irrespective of

the gender are predominant users of online shopping. Married respondents with a sound education background, working class and earning more than 2 lakhs prefer online shopping. Therefore it can be concluded that since the consumer is techno-friendly, has increase family needs and lack at time at their disposal prefer online shopping.

Table 2 - Internet usage and access –

Internet	Devices Used	No. of Respondents	Percentage (%)
Access	Desktop	21	7.5
	Laptop	44	15.71
	Smart Phones	140	50
	Tablets	55	19.64
	Game Consoles	20	7.14
Time spent per day	Less than 1 hours	40	14.3
	More than 1 hour	61	21.8
	More than 2 hours	108	38.6
	More than 3 hours	58	20.7
	More than 4 hours	13	4.6

Source – Primary Data

From the above Table 2 it can be inferred that most of the respondents are accessing internet through their smart phones and average time spend is more than 2 hours due to variety of apps available and the use of phones during commuting to work.

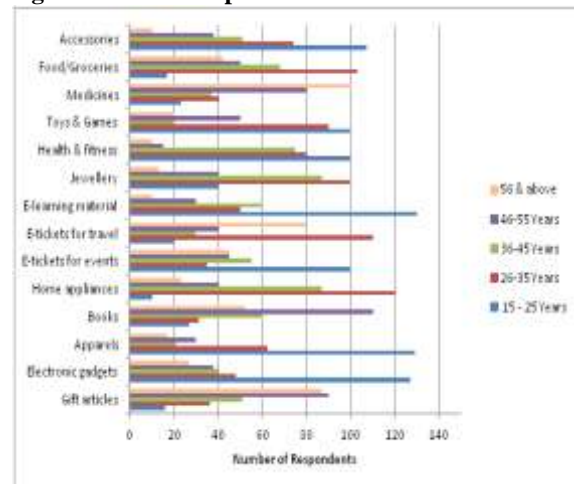
Figure 1 – Shopping Sites



Source – Primary Data

From this figure we conclude that Flipkart and Amazon are the most preferred sites for online shopping as they are the most trusted e-commerce brands. Many of the respondents claimed that they were loyal to these sites.

Figure 2 - Products purchased online:



Source: Primary Data

From the above figure it is derived that most purchased products are Smartphone, e-learning materials, electronics and household appliances due to the option of variety available and price comparison. The fashion trends and access to international brands give a boost to demand in apparels for the millennial.

Hypothesis Analysis –

1. Ho: There is no significant relationship between personal factors and the frequency of products/ services purchased online.

Table 3

Factor	CHI-square value	DF	p value	Significant / Not significant
Gender	6.853	2	.002	S
Age	22.580	8	.002	S
Marital Status	21.083	2	.000	S
Family members	23.288	8	.003	S
Education Qualification	27.817	8	.001	S
Occupation	19.149	8	.014	NS
Annual Income	23.512	8	.003	S
Shopping sites	49.022	10	.000	S
Internet access	19.562	6	.003	S
Time spent	111.953	8	.000	S

Data - Primary Source

*Significance at 1% level

It is clear from the above table that, the hypothesis is rejected (Significant as p value is <0.05) in 9 cases and in only 1 case hypothesis is accepted (Not Significant as p value is >0.05). So it can be concluded that all the factors above have significance influence on the frequency of purchase on the products through online mode except occupation the association is not significant.

Analysis of Variance –

Here ANOVA is considered to determine the significant difference among the different groups of respondents on various parameters.

Decision-making factors –

Table 4

Pre-purchase decision making factors	On- purchase decision making factors	Post- purchase decision making factors
Price of the product	Delivery time	After sales services
Quality of the product	Delivery charges	Information of new arrivals
Variety of products	Transaction cost	Return policies
Modes of payment	Security of payment	Feedback and support
Discounts available	Privacy of personal data	Store credibility
User-friendly websites	Online advertisement	Family/friends recommendations

Hypothesis -

2.1 ANOVA for Pre-purchase decision score with age –

Table 5

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	14.719	4	3.680	6.766	.000
Within groups	149.566	275	.544		
Total	164.286	279			

** Significance at 5% level

In Table 5 Hypothesis is rejected. So it can be concluded that age has a significant effect on Pre-purchase decision-making factors.

2.2 ANOVA for Pre-purchase decision score with educational qualification –

Table 6

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	26.941	4	6.735	10.435	.000
Within groups	177.502	275	.645		
Total	204.443	279			

** Significance at 5% level

In Table 6 Hypothesis is rejected. So it can be concluded that educational qualification has a significant effect on Pre-purchase decision-making factors.

3.1 ANOVA for On-purchase decision score with age –

Table 7

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	9.677	4	2.419	4.737	.001
Within groups	140.434	275	.511		
Total	150.111	279			

** Significance at 5% level

In Table 7 Hypothesis is rejected. So it can be concluded that age has a significant effect on On-purchase decision-making factors.

3.2 ANOVA for On-purchase decision score with educational qualification –

Table 8

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	9.369	4	2.342	4.264	.002
Within groups	151.074	275	.549		
Total	160.443	279			

** Significance at 5% level

In Table 8 Hypothesis is rejected. So it can be concluded that educational qualification has a significant effect on On-purchase decision-making factors.

4.1 ANOVA for Post-purchase decision score with age –

Table 9

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	7.202	4	1.800	3.608	.007
Within groups	137.241	275	.449		
Total	144.443	279			

** Significance at 5% level

In Table 9 Hypothesis is rejected. So it can be concluded that age has a significant effect on Post-purchase decision-making factors.

4.2 ANOVA for Post-purchase decision score with educational qualification –

Table 10

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	8.271	4	2.068	2.813	.026
Within groups	202.172	275	.735		
Total	210.433	279			

** Significance at 5% level

In Table 10 Hypothesis is rejected. So it can be concluded that educational qualification has a significant effect on Post-purchase decision-making factors.

Attitude of Respondents on online shopping:

Table 11 showing the factors identified against statement showing the attitude of respondents towards online shopping -

		F1	F2	F3	F4	F5
F1 Security transaction	Fulfilment of online transaction	0.79				
	Security in payment process	0.688				
	Prompt delivery	0.588				
	Reliability of web advertisement	0.533				
	Simplicity of online transaction	0.512				
F2 Worth for money	Better value when purchased online		0.766			
	Better performance of products of online purchase		0.755			
	Real time support after sales		0.673			
F3 Comparison with competitors	Comparison of prices before buying			0.760		
	Comparison of quality with similar products			0.672		
	Multiple choice of brands			0.461		
F4 Money saver	Saves money				0.780	
	Prompt delivery				0.586	
	Assuring product quality				0.496	
F5 Personalised Attention	Care and individualised attention					0.80
	Customer care centres					0.622
Kmo Measure of Sampling Adequacy		0.869				
Eigen Value		3.089	2.506	1.296	1.135	1.057
Variance Explained		23.594	16.706	8.642	7.565	7.047
Total Variance Explained		63.55%				

Source – Primary Data

Factor analysis was used to summarise information on consumer attitude towards online shopping. The five dimension customer satisfaction variables have co-efficient alpha of 0.781, which is good score and satisfactory compared to standard 0.70 (Sekaran, 2005). Principal Component Analysis (CPA) was used to extract factors and it revealed six factors with Eigen value exceeding 1.0, and explaining variance up to 63.55. Varimax Rotation was applied on transforming the factors to make them more interpretable. Thus the 16 variables which measure the attitude of respondents towards online shopping were reduced to five factor model and each factor was intensified with corresponding variable.

9. Conclusion:

Online shopping is the fastest growing multi-billion dollar business in the world. Technology has transformed the growth of online shopping which has speed-up with the advent of smart phones and in built shopping apps have accelerated the number of

internet user thus proving it to be a multidimensional phenomenon. After the analysis of data collected from online respondents we can conclude the five factors that were prominent to induce customer satisfaction towards online shopping which are security, worth for money, comparison, money saver and personalised attention. Further investigation unfolds that online shopping in the study area is notably affected by various demographic factors like age, gender, marital status, family size and income.

Consumers are indulging into internet shopping for the value proposition as it offers convenience, 24x7 shopping, doorstep delivery, broad product selection, price comparison and customer service. Confidence in online shopping is increasing due to security in payment process. Effective and efficient e-CRM (Customer Relationship Management) strategies have strengthened customer loyalty.

Online shopping is on a steep climb in terms of both traffic and sales volume. Respondents have

perceived online shopping in a optimistic manner as it is remarkably easy whether one is looking for latest fashion or electrical gadgets or discounts on tickets. It is also about comparing prices and finding the best deal possible by visiting large number of online stores quickly within the comfort of your home. This undoubtedly validates the projected growth of online shopping.

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