

# A Study on Factors Influencing Online Consumers' Perception on Purchase Intention with Special Reference to Erode District

\*Dr. M. Lalitha

\*Assistant Professor of Commerce (CA), Vellalar College for Women (Autonomous), Erode, Tamil Nadu (India)

## ARTICLE DETAILS

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### \*Corresponding Author

Email: tlsadhanaa@gmail.com

## ABSTRACT

Technology usage has not only reduced various business activities but also offers shopping through e-Commerce or m-Commerce. Digital marketing has affected each and every person's activities. An online shopping system that permits a customer to submit online orders for items and/or services from a store that serves both walk-in customers and online customers. Hence the study to examine the factors influencing consumers to shop online and to find out the problems faced by the customers. This study was based on primary data, which was collected from 100 respondents with the help of a structured questionnaire from online buyers in Erode city. The data was analyzed by using the appropriate statistical techniques. The results found that the most important problem faced by the respondents is waiting to receive the product and least problem is lack of trustworthiness of vendors, undergone bad experience. This study will also be useful for the online buyers and also online retailers to increase their sales.

## INTRODUCTION

Today, the emergence and rapid growth of Internet and E-commerce has triggered off many changes in our life. This new phenomenon has promised change, challenges and even bright future, not only to consumers but also to companies, suppliers and middlemen. One of the growing areas of E-commerce is Online Buying. More and more consumers are turning to the World Wide Web for their shopping needs, which gives them access to either local or international products with just a click of the mouse. Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser.

## STATEMENT OF THE PROBLEM

Online shopping is pretty diverse in nature compare to traditional consumer behaviour gain competitive edge in the market, marketers need to know the consumer behaviour 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. As online shopping is a new medium the consumer behavior 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.

## REVIEW OF LITERATURE

Neelamegham (1973)<sup>1</sup> conducted a study to find consumer behaviour in relation to marketing of man-made fibre fabrics in India. The study was conducted by drawing a sample of 1,170 households in Delhi. It was found that consumer's preferences for man-made fibre fabrics were significantly influenced by several socio-economic factors including, age, income and occupational characteristics. Among the different occupational groups, man-made fibre fabrics were found to be the most

popular with business executives, and professional men and individual proprietors, while they were least popular with factory workers. The percentage of working women who owned garments made by man-made fibre fabrics was larger than that of house-wives. It was also found that purchasing of clothes remains as a joint activity of both husband and wife, though husband play a dominant advisory role.

Ramakrishna Rao et al., (1987)<sup>2</sup> conducted a survey to find the extent of involvement of husband and educated and belonged to high income group were relatively less dominated wife in purchase decision-making. The study found that the husbands who were young, highly than the older, less educated and low income group counterparts.

Ernst and Young (2003)<sup>3</sup> examined the factors that influence or hinder online shopping. They found that internet users purchased through online because of good product selection, competitive prices, and ease of use, but were concerned about shipping costs, lack of opportunity to prior examining the products, as well as, the confidentiality of credit card and personal information.

## OBJECTIVES OF THE STUDY

On the base of research question, the object of this research is to identify factors which influence online shopping and consumer behavior to buy the goods in Indian. Following are the objectives:

1. To examine the factors influencing consumers to shop online.
2. To find out the problems faced by the customers.
3. To offer suggestion based on the findings of the study.

**HYPOTHESES**

Based on the objectives of the study and review of relevant literature, hypotheses have been framed and tested by using appropriate statistical techniques.

**METHODOLOGY**

**Sample size:**

A selection for the research in Erode city only and people who are visiting online stores, keeping in view the limitation of time and resources have decided to take the sample of 100 respondents. Questionnaires were distributed both by male and female respondents and enough time given to respondents to fill the questionnaire to reduce sampling error.

**Area of the study:**

The study area only covered by online buyers in the Erode city.

**Data source:**

The data required for this study have been collected from both primary and secondary sources. Primary data have been collected from the online buyers with the help of a questionnaire schedule. Data have been collected from the related web sites, text books, newspapers, universities, published and unpublished thesis, various magazines and journals.

**RESULTS AND DISCUSSION**

**Factors Influencing to Shop Online: Descriptive Statistics**

Factors	Mean	S.D
Delivery time	3.24	0.79
Reputation of the company	3.05	0.82
Guarantees and Warrantees	3.38	0.75
Privacy of information	3.06	0.90
Good description of goods	3.27	0.75
Security	3.41	0.83
Prices	3.39	0.76
Amount of extra money exchanged for home delivery	2.85	1.00

Source: Primary data

It is found that, the ratings given by the respondents vary between a minimum of 1 to a maximum of 5. The highest mean rating is given for security (3.41) and the lowest mean rating is given for amount of extra money exchanged for home delivery (2.85). Hence, it can be concluded that the most important factor influencing the consumers to purchase through online is security.

**Relationship between Independent Variables and the Overall Score of Factors Influencing the Consumers to Shop Online**

Factors	Calculated Value	Table Value	Result
Age	1.065	2.391	NS
Education	2.091	2.624	NS
Occupation	0.321	1.391	NS
Monthly Income	0.925	2.118	NS

Usage of Internet Services	1.470	2.391	NS
Hours of Usage of Internet Services	1.251	2.391	NS
Internet Expertise	14.770	4.651	**
Recurrence of Visit before Purchase	4.769	3.824	**
Periodicity of Buying through Online	3.301	3.015	*
Online Shopping Expenditure	1.648	2.391	NS
Gender	0.119	1.965	NS
Continuity of Buying through Internet	0.369	1.965	NS

\*. Significant at 5 per cent level

\*\*. Significant at 1 per cent level

NS – Not Significant

The significance difference among groups of various independent variables in the overall score of factors influencing the consumers to shop online is examined by framing a null hypothesis and the same has been tested with the t-Test or ANOVA test. It is found that the hypothesis relating to gender, age, education, occupation, monthly income, usage of internet services, hours of usage of internet services, online shopping expenditure and continuity of buying through internet have been accepted.

**Problems Faced by Online Consumers: Descriptive Statistics**

Factors	N	Mean	Rank
Waiting to receive the product	65	2.62	I
Risk of credit card transactions	58	2.64	II
Risk of identity theft	43	2.72	III
Difficulty in returning products/items	51	2.74	IV
Risk of not getting what I paid for	36	2.78	V
Risk of loss of privacy	41	3.32	IX
Not skillful with internet	22	3.52	X
Lack of trustworthiness of vendors	30	3.66	XII
Complex compared to traditional shopping	24	3.57	XI
Not being able to touch products	38	2.99	VI
More expensive than those sold in retail stores	25	3.10	VIII
I have undergone bad experience	16	3.71	XIII
Selection of goods available on the internet is very broad	51	3.05	VII

The most important problem faced by the respondents is waiting to receive the product (2.62) and least problem is lack of trustworthiness of vendors, undergone bad experience.

**SUGGESTIONS**

- Based on the findings of the study, it is suggested that the online traders must prove themselves to be a powerful platform for consumers and traders allowing access to an enormous marketplace without geographical restrictions. More number of delivery channels can be set up for quick and easy delivery of products.

- Based on the findings of the study, it is observed that the main barrier in online shopping is risk of credit card transaction. So, it is suggested that the consumers should use a secure website to enter credit card information. They have to look for a closed padlock symbol in the bottom right of the browser window and for the website address to begin with “https://”.
- It is observed from the study that, most of the respondents feel easy to use online for shopping. So, it is suggested that the online traders have to maintain better customer service and adequate set of selling methods. The companies should create more multi-platform online and offline presence that provides accurate information and convenient ways for the consumers to buy the products easily and engage them with more information.
- Marketers can build confidence in their consumers through initializing secure, reliable, and safe marketing platform and offering attractive proposition.

## CONCLUSION

The findings has given a clear and wide picture to online traders and it will help them to understand the specific factors that influence consumers to shop online, so that they can build up their strategies to cater online shoppers. The suggestion that has been offered based upon the findings of the study will enable both the online consumers and online traders to have a smooth customer-trader relationship. The online shopping is definitely a boon to the consumers in the present busy and tech-savvy environment. The suggestions offered based on the study will make the online shopping more comfort and satisfactory.

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