



A Study on Consumer's Perception Regarding Online Shopping

KEYWORDS

Privacy, Security, Time-Saving, Convenience.

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ABSTRACT

In today's ever changing and dynamic business environment, it is essential for all online retailers to understand the online consumer's purchase behavior and their perception regarding online shopping i.e. causes of buying or not buying products and services offered to them over internet. The primary aim of the paper is to examine selected four factors (Privacy, Security, Time-Saving and Convenience) impact and relationship with consumer's perception towards online shopping. Consumer's perception regarding online shopping was identified as dependent variable and privacy, security, time saving and convenience were considered as independent variables. The study findings indicate that all four selected variables have positive impact upon dependent variable with varying degree of contribution and also having significant relationship with dependent variable i.e. consumer's perception regarding online shopping. Statistical techniques such as mean, standard deviation, correlation and regression analysis are used for the purpose of analyzing data.

Introduction

Now-a-days, mass population of globe is having internet connections on mobiles any time, anywhere and consumers especially young generation adopting online websites to order/buy products and services offered by e-retailers. Due to advancement in internet and technology, online shopping is becoming popular. Online shopping is a process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over internet. An online shop, e-shop, e-store, internet shop, web shop, web store, online store or virtual store restricts customers from buying products or services at a bricks and mortar retailer/shopping centre. This process is called Business to Consumer (B2C). In simple words, online shopping is an act of purchasing/buying products or services over the internet. When, instead of going to a traditional brick and mortar store, you buy a product or service over the internet, it is called online shopping. Internet has offered many benefits such as abundant information, convenience, time saving, cost benefits, international brands etc. The growth of internet usage has led to the birth of concept e-commerce/online shopping.

Through E-business various kinds of businesses has gained an opportunity to increase their sales and can maintain a direct relationship with their customers without any mediator. The concept of E-business has helped a lot in globalization of businesses throughout the world. Now it becomes easy for all kinds of companies to market their products and services in whole world and also to capture great market for their products.

As such, it is important for already existing online businesses or offline businesses interested in venturing into online market, to understand their consumers' perceptions, both online and offline, and what are the factors responsible to influence their shopping decisions. With better understanding of what factors play an important role in process of consumer decision making in doing transactions online or offline, retailers and businesses can better gear themselves to serving their customers in either of the shopping venues.

Literature Review

Monsuwe et al (2004) found that intention to shop online are not only affected by ease of use, usefulness, enjoyment, but also by exogenous factors like consumer traits, situational factors, product characteristics, previous experiences, and trust.

Jongeeun Kim (2004) examined four consumer groups: non-web shoppers, web-store visitors with no intention of purchasing, Internet browsers with intention to purchase and Internet buyers, using an empirical model based partially on Fishbein and Ajzen's "Theory of Reasoned Action" (1975) and Cowles, Kieker, and Little's "E-tailing Theory" (2002) to examine those individuals that completed Internet purchase and to compare them to those who just shop and brows.

Chuleeporn Changchit (2006) identified that consumers perceived a higher level of risk and uncertainty with online shopping and prefer shopping at a physical store and suggested that to attract more customers, they must be awaked regarding security techniques implemented on their websites.

Vaggelis Saprikis et al (2010) divides the respondents into two groups i.e. adopters and non-adopters and provides interesting insights that adopters had higher expectations from online shopping on issues related with privacy policy and risk, whereas, non-adopter's main reasons for not buying online were mainly security and privacy concerns and need to physically examine the products.

Dan Su & Xu Huang (2011) studied that security and convenience are widely approved by undergraduate consumers, while price is more important for them. Further suggested that internet experience and skills can reduce perceived risks and increase shopping intention and real purchase.

Sajjad Nazir et al (2012) identified that prime hurdle in the way of back-up of online shopping is that people usually get embarrassed when other computer demands complete details about customers i.e. customer gets worried that his

or her personal details may get disclosed and their precious money and account details get damaged.

Objectives

The primary aim of paper is to examine selected four factor's (Privacy, Security, Time-Saving and Convenience) impact and relationship with consumer's perception regarding online shopping.

Research Methodology

This research investigated consumers' perception regarding online shopping in Kurukshetra, Karnal and Panipat district of Haryana with sample size (N) 100. To complete research, consumers' perception regarding online shopping was identified as dependent variable and privacy, security, time saving and convenience were identified as independent variables. The respondents included 50% males and 50% females; 65% of them were between 18 to 30 years of age, 35% were aged between 31 to 45 and above. Convenience sampling approach was adopted and it took a period of one month for entire collection of data. The instrument used for collection of data was a five point Likert scale questionnaire. For the purpose of data analysis, SPSS version 20 was used. Statistical tests were applied to check reliability, relationship and impact of independent variables over dependent variable.

Data Analysis

To analysis reliability of data we used reliability statistic Cronbach's alpha. Result of analysis of Cronbach's alpha scale for consumer's perception regarding Online Shopping is more than 0.7. This indicates that the survey instrument (questionnaire) can be a reliable tool to measure construct consistently.

Table-1
Mean and standard deviation

Variable	Mean	Standard Deviation
Privacy	3.233	.585
Security	3.313	.586
Time Saving	3.435	.576
Convenience	3.310	.482
Perception regarding Online Shopping	3.153	.690

Table 1 shows mean values for variables. The average respondents score on perception regarding online shopping was found to be 3.289, with 1 least favorable and 5 most favorable. This is above the neutral score of 3, which implies that respondents' overall perception regarding online shopping is positive.

Correlation Analysis

Table-2
Correlation Matrix

	Perception regarding Online Shopping	Convenience	Time Saving	Security	Privacy
Perception regarding Online Shopping	1				
Convenience	.215*	1			
Time Saving	.449**	.628**	1		
Security	.236**	.270**	.371**	1	
Privacy	.330**	.469**	.375**	.402**	1

** . Correlation is significant at 0.01 level (1-tailed).

* . Correlation is significant at 0.05 level (1-tailed).

It is observed from table 2 that all independent factors i.e. Privacy, Security, Time Saving and Convenience are positively and significantly associated with customers' perception towards online shopping. Correlation value of perception towards online shopping and Time Saving is estimated to be 0.449 and significance value is 0.000 and for privacy is .330 and significance value is 0.001. This shows that both variables have a strong positive significant relationship i.e. two variables are affected by each other. The correlation value of perception towards online shopping and security is 0.236 and significance value is 0.018. This depicts that two variables have a non-significant relationship. The Pearson value of perception towards online shopping and convenience is estimated to be 0.215 and significance value is 0.032. This shows that two variables have non-significant and moderate positive relationship, which signifies that two variables are affected by each other.

(b) Regression Analysis

Table-3
Regression Statistics

Factor	R	R Square	Adjusted R Square	Beta	F	Sig.
Privacy	.330	.109	.100	.330	11.941	0.001
Security	.236	.056	.046	.236	5.777	0.018
Time Saving	.449	.201	.193	.449	24.705	0.000
Convenience	.215	.046	.036	.215	4.740	0.032

The adjusted R square value is shown in Table 3. Table shows that Time Saving is the major factor with a contribution of 19.3% of the variance into the dependent variable with a significance value of 0.000 and beta is 0.449. This indicates that Time Saving has a significant relationship with dependent variable. Privacy causes 10.0% variation into the dependent variable. Whereas, the significance value is 0.001 and the value of beta is 0.330. It shows that has a significant relationship and a positive impact on consumers' perception towards online shopping. The adjusted R square value for Security is .046 i.e. causes 4.6% variation into the dependent variable with a significance value of 0.018 and beta is 0.236, indicates that Security has a significant relationship with the dependent variable. At last, Convenience has a significance value of 0.032 and beta is 0.215 and it causes only 3.6% variation. This states that Convenience also contributes towards forming customer's perception regarding online shopping but impact is very least as compared to other independent variables.

Findings

Time saving is considered as the most significant and contributing highest percentage of variance into the dependent variable i.e. more the time saving, more favorably the consumers perceive online shopping. The second highest contributing factor while forming consumer's perception towards online shopping is Privacy contributes up to 10% variation and have significant positive relationship with the dependent variable. Security is also considered as an important factor contributes up to 4.6% variation towards forming perception of consumers regarding online shopping and also have a positive significant impact onto the dependent variable. At last, Convenience is also contributing upto 3.6% variation and also have positive and significant relationship with dependent variable but has a com-

paratively lower impact as compared to other independent variables.

Conclusion

Online shopping gets boost due to increasing use of Internet by the younger generation in India, it includes shopping done by consumers through online stores or a website specially designed for online purchasing purpose. Four major dimensions that potentially affect consumer's perception are identified as Privacy, Security, Time Saving and Convenience as independent variables and the factor named as Perception regarding Online Shopping is identified as dependent variable, analytical results indicate that they influence positively their intention to buy through online modes. It is observed that consumer's perception of time saving and privacy has significant and highly positive relationship with their online buying intention. On the other hand, security and convenience also contributes significantly and positively towards consumer's perception but is very less as compared to other factors. Thus, at last it can be concluded that all online retailers must understand above factors with due care and attention as these factors having noticeable impact on building their perception regarding online shopping.

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