



CONSUMERS' PERCEPTION TOWARDS BARRIER IN ONLINE SHOPPING

P. S. Hermis

Research Scholar, Research Centre in Commerce, Women's Christian College, Nagercoil Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli, Tamil Nadu - 627012, India.

Dr. R. Rathiha*

Associate Professor and Head, Dept. of Commerce, Women's Christian College, Nagercoil. Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli, Tamil Nadu - 627012, India. *Corresponding Author

ABSTRACT Over the last few years, there has been a dynamic change in the way of consumers shop, due to the tremendous increase in internet penetration. The pace of change with the rising acceptance of online shopping among the Indian consumers, online shopping can now be considered as a relevant alternative channel for retailing in India, thus making it an important part of the retail experience. With the advent of computers and internet facilities; companies have found out ways and means to reach to the customers in the form of online shopping websites. A customer faces certain difficulties while shopping online such as lack of personal service, inability to inspect or handle the product, and concern about delivery and exchange processes including giving out credit card numbers over the Internet. This study is specially undertaken with the objective of probing into the barriers or difficulties that consumers face, while shopping online.

KEYWORDS : Barriers, Consumers, Internet, Online Shopping .

INTRODUCTION

Online shopping is gaining popularity and most consumers today are able to shop from a variety of local and international online shopping websites. The internet has been evolved into a worldwide accessible marketplace for exchanging commercial information and is also used for personal shopping by the online customers. Despite the growing popularity for online shopping, a large percentage of Internet users find online shopping as a source of risk and uncertainty. For online consumers perceived risk is considered as a fundamental concern of decision making process during online shopping. A customer faces certain difficulties while shopping online such as lack of personal service, inability to inspect or handle the product, and concern about delivery and exchange processes including giving out credit card numbers over the Internet. This study is specially undertaken with the objective of probing the barriers or difficulties that consumers face, while shopping online.

OBJECTIVES OF THE STUDY

The main objective of the study:

- To understand the challenges and to identify the key problems involved in online shopping.

STATEMENT OF THE PROBLEM

Despite the growing base of internet users and technological advancement, there are a substantial number of consumers who are skeptical towards online shopping and refuse to shop online due to unfamiliarity with unaccustomed internet shopping environment. In India, the reasons for not buying online are mainly due to touch and feel related factors, financial considerations and service related factors. Consumers are slow in showing interest in online shopping due to lack of infrastructure facility to access internet. However, the future for online shopping looks bright and promising because of the huge young population of India. The main aim of the study is to investigate consumer's problems involved in online shopping in the study area, is Kanyakumari district, which is unique because of its higher literacy rate, urbanization and high standard of living.

RESEARCH METHODOLOGY

The sample size of 256 is drawn from the online shoppers of Kanyakumari district through convenience sampling technique. The primary data are collected through a well structured questionnaire and the secondary data from journals and web site.

PROBLEMS IN ONLINE SHOPPING

There is no doubt, online shopping is the most convenient way of shopping, but with the increasing number of websites and online consumers it's facing many hurdles. The researcher has identified eleven problems for the analysis. The result is presented in table 1.

TABLE 1 Ranking The Problems Of Online Shopping

SL. No.	Reason	S.A	A	N.O	D.A	S.D. A	Total	Mean Score	Rank
1	Security personal data	138 (690)	208 (832)	127 (381)	39 (78)	-	512 (1981)	3.8691	II
2	Supply of wrong goods	129 (645)	99 (396)	168 (504)	86 (172)	30 (30)	512 (1747)	3.41209	IX
3	Receipt of damaged goods	159 (795)	88 (352)	149 (447)	107 (214)	9 (9)	512 (1817)	3.5488	VIII
4	Product guarantee is not assured	80 (400)	88 (352)	219 (657)	115 (230)	10 (10)	512 (1649)	3.2207	XI
5	No clear return policy	109 (545)	159 (636)	187 (561)	47 (94)	10 (10)	512 (1846)	3.60546	VII
6	Delay in delivering products	137 (685)	198 (792)	127 (381)	50 (100)	-	512 (1958)	3.8242	IV
7	Complex ordering process	60 (300)	177 (708)	167 (501)	98 (196)	10 (10)	512 (1715)	3.3496	X
8	Confused by over choices	204 (1020)	114 (456)	107 (321)	87 (174)	-	512 (1971)	3.8496	III
9	Not suitable for certain products	151 (755)	144 (576)	133 (399)	39 (78)	45 (45)	512 (1853)	3.6191	VI
10	Hidden charges	159 (795)	214 (856)	120 (360)	10 (20)	9 (9)	512 (2040)	3.9844	I
11	No prompt refund	111 (555)	184 (736)	186 (558)	20 (40)	11 (11)	512 (1900)	3.71093	V

Source: Primary data

*Significant at 5 percent level

From the table 1 shown above it can be inferred that 'hidden charges' is the main problem involved in online shopping, as it is ranked first with the score of 3.9844. Second problem is 'security of personal data' with the score of 3.8691 secured second ranks. The third and fourth important problems are 'confused by over choices' and 'delay in

delivering products’, with the score of 3.8496, 3.8242 respectively. The respondents consider ‘product guarantee is not assured’ and ‘complex ordering process’ are the other problems as the least important , as these are secured the lowest mean score 3.2207 and 3.3496 respectively.

KEY PROBLEMS IN ONLINE SHOPPING

In order to find out the key issues involved in online purchasing, further analysis is made with the help of factor analysis. The given eleven factors are extracted into smaller and manageable number by combining the related factors to form key factors with the help of factor analysis.

The given table 2 indicates, the rotated factor loading for eleven variables selected for the analysis which is extracted into five key factors.

TABLE 2 Rotated Component Matrix For Problems In Online Shopping

Sl. No.	FACTORS	COMPONENTS				
		Hidden cost	Quality issues	Lack of security	Delivery problem	Unclear after sales service
1	Hidden charges	.810				
2	Not suitable for certain products	.776				
3	Confused by over choices	.555				
4	Supply of wrong goods		.847			
5	Receipt of damaged goods		.757			
6	Security of personal data			.623		
7	Complex ordering process			.594		
8	Delay in delivering products				.740	
9	No prompt refund				.702	
10	No clear return policy					.749
11	Product guarantee is not assured					.734
KMO measure of sampling Adequacy: 0.678			Bartlett’s test of sphericity: Chi-square value: 5164.007 Df: 171 Significance Value: .000			

Extraction method: Principal component analysis
Rotation method: Varimax with Kaiser Normalization

KMO value is very high (0.678). Similarly the Bartlett’s test rejects the null hypothesis that the attributes are not related as the approximate chi-square value is 5164.007 at 171 degrees of freedom which significant at five percent level. Therefore, this factor analysis may be considered as an appropriate technique.

The finding of the Principal Component Analysis which is used as an extract or reduces the number of variable by using the Eigen Value is given in the table 3.

TABLE 3 Key Problems Of Online Purchasing

Sl. No.	Main Reasons	Number of variables	Eigen value	Percent of variation explained	Cumulative percent of variation explained
1.	Hidden cost	3	6.265	32.973	32.973
2.	Quality issues	2	2.434	12.810	45.783
3.	Lack of security	2	1.929	10.154	55.937
4.	Delivery problem	2	1.356	7.135	63.072
5.	Unclear after sales service	2	1.176	6.191	69.263

Source: Computed data

The most important problem is ‘hidden cost’ that includes ‘hidden charges’(.810), ‘not suitable for certain products’(.776), and ‘confused by over choices’(.555).

The second extracted problem is named as ‘quality issues’, is a combination of variables such as ‘supply of wrong goods’(.847), and ‘receipt of damaged goods’(.757).

The third problem which is named as ‘lack of security’ is a combination of variables such as ‘dept of personal data’(.623), and ‘complex ordering process’(.594).

The fourth problems is termed as ‘delivery problem’, which is a combination of variables such as ‘delay in delivering products’(.740) and ‘no prompt refund’(.702).

The last problem is ‘Unclear after sales service’ that includes variables such as, ‘no clear return policy’(.749), and ‘product guarantee is not assured’(.734).

Thus it can be concluded that these five factors are the key problems that constitute of 69 percent of the problems faced by the consumers, while they make online purchase.

Findings

This study has identified five key problems of online shopping namely common issues, quality issues, lack of security, delivery problem and unclear after sales service. These are the most important problems involved in online shopping as per the respondents and it constitutes 69 percent of the problems in online shopping.

Suggestions

- In order to protect online shoppers the government can introduce a legal frame work. The consumer protection Act 1985 can be modified to include a section to protect the online transactions made by the online shoppers. The legal frame work should be clear, and precise to define the terms related to online buying.
- Online shoppers should be advised to use strong passwords which do not contain personal information such as using name or birthday. Pass phrases which are not found in dictionary should be used as pass words.
- The retailer should avoid charging high rate for the delivery of goods. In some cases they charge higher rate than the purchase price. Therefore to motivate online buyers the goods should be delivered at free at cost or at a minimal rate.

CONCLUSION

This study made an attempt to investigate the challenges before the customers whenever they make online shopping. The customers are very much concerned about the hidden charges in the form of high delivery charges and the security of their personal data. It is believed that, in the next five years, half of the Indian population will be using smart phone that would help them to switch over to online shopping. It shows there is a great scope for online market in India.

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