



A STUDY ON CUSTOMER'S PERCEPTION TOWARDS ONLINE SHOPPING WITH REFERENCE TO COIMBATORE

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Cite This Article: R. S. Praneet Chakravarthy, Dr. V. B Mathipurani, Dr. D. Divya Prabha & S. Selvkrishna, "A Study on Customer's Perception towards Online Shopping with Reference to Coimbatore", International Journal of Engineering Research and Modern Education, Volume 4, Issue 1, Page Number 1-6, 2019.

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Abstract:

Concerned with internet marketing it has a continuous and rapid revolution in the advancement of modern era has made everything so comfortable for everyone and that is the reason why most of the people have fancy to use Internet because of its reliability, speed and performance. Along with message delivering through e-mail, seeking information through searching and browsing, a lot of people are using Internet for online shopping or e-commerce, which has evolved the field of Internet marketing and internet marketing experts have found a proficient way to find their potential customers and online shopping is a major part of the overall electronic commerce, or e-commerce, industry which consists of all the buying and selling of goods and services over electronic systems such as the internet and other computer networks by households, businesses and other agencies. The main objective of the study is that to analyze the perception of customers towards shopping products online and to know the behaviour of customers towards purchasing the products through websites. For this purpose a sample of 250 was collected from the respondents and percentage analysis, factor and multiple regression were used as tools to analyse the data and the conclusion is that as there are no proper laws for online purchases, they have to be implemented to prevent the anonymous intruders. This will help to maintain security and private information properly concerning the respondents. So the website developers and service providers should take necessary steps to overcome this problem and preference to particular product can be changed based on the taste and preference of customers so updation towards the product can be matched accordingly by the companies to increase the sales in future period of time.

Key Words: E-commerce, Online Purchases & Security

Introduction:

Electronic commerce was defined in 1996 as "transacting business via electronic means" (Glossary of terms 1996). Internet, unlike traditional media, covers all stages of purchasing from identification of needs and the required information for purchasing the product and the after purchasing services. No other public Media has such features. The new media has changed the way customers behave while purchasing. Evaluation of the process of buying and the customer behavior is of great importance for the electronic commerce companies as it affects the attention of customers, boosting sales and increasing the profitability. E-satisfaction and quality of electronic service play a vital role in globalization of the electronic commerce. High quality service is a key to the success of any retailer in the competitive environment that serves the global electronic commerce. Most experienced and successful companies in electronic commerce have understood that the success or failure factor is not only their presence in the web, but is the electronic transfer of high-quality services. Recent researches showed that low price and promotion will not be considered as important factors influencing the purchasing decisions of customers, while, Internet customers are willing to pay higher prices for high quality services offered by electronic retailers.

Technology:

Electronic commerce has become one of the essential characteristics in the Internet era. Internet and Web technologies have fundamentally changed the way businesses interacted, transacted and communicated with consumers. It has become a dynamic virtual medium for selling and buying of information, products or services because, the growth and development of retail brands has experienced considerable change over the last few decades. For many retailers the strategy of offering lower quality and lower price on brand alternative has changed to a policy of directly competing with manufacturer brands in terms of quality, design and packaging. The Internet has also changed the way we consume products and our means of satisfying the demands for our comfort. The Internet has made it easier for us to acquire the goods. Internet commerce exploded and became a normal part of day to day life of consumers. It provides both organizations and consumers, with endless options to choose from, for various transactions. Online commerce has many advantages when compared to regular shopping. The most fundamental advantage is the convenience. The Internet was popularized in the 1980s when Microsoft and IBM came out with the personal computers. The era of online shopping totally transformed the

computer in ways few would have imagined in the early 1980s. The first bank was opened in 1994 and a Pizza Hut website also went online. In the late 1990s and early 2000s online shopping became more accessible for a lot of people and its popularity surged the consumers. In today's society, people are doing all kinds of their financial transaction ranging from buying holiday gifts to buying cars and paying their bills over the net. According to UCLA Center for Communication Policy (2001) , online shopping has become the third most popular Internet activity, immediately following e-mail using/instant messaging and web browsing. Online shopping can be done at home and one need not have to worry about traffic congestion, long lines and other traditional aspects. The term "Electronic commerce"² , commonly known as e-commerce or e-Commerce, or e-business consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks.

Objectives of the Study:

- To study the consumer's preference towards online shopping.
- To analyze the perception of customers towards shopping products online.
- To know the behaviour of customers towards purchasing the products through websites.
- To study about the marketing aspects involved in online shopping.

Scope of the Study:

- To know why customers delay or hesitate to make decision for shopping online.
- To gain familiarity on various problems faced by the customers on online shopping.
- To determine the reasons and suggestions for the problems faced by the customers.
- To know the ways to overcome the problems faced by customers.
- To know about, what are the fraud activities done on online shopping.

Research Methodology:

Reliability and Validity: The validity of a research depends on systematic method of collecting the data and analyzing the same in a sequential order. Methodology presents the Sampling design, Data sources, Tools for data collection, Construction of questionnaire, Pilot study and the Frame work of analysis.

Area of the Study: The survey was conducted with people who are residing with Coimbatore.

Sampling Design: The study proposes to cover the perception on service provided for online shopping. As the samples don't have criteria and for this purpose Convenience sampling is used for the research.

Data Sources: The study used both primary data and secondary data. The primary data was collected through field survey in the study area. First- hand information's pertaining to the benefits derived and the various competencies encountered were collected from 250 customers to know about the preference of customers towards various products with online shopping.

Tools used for Collection of Data: Frequency analysis, Factor analysis and multiple regressions.

Limitations of the Study:

- The time available at disposal of the research was limited for an independent study.
- Since the universe of the survey was quite large, it was not feasible for the Interview to cover all the customers of the city.
- Respondents lack of time to give information and casual attitudes.
- The study was limited to Coimbatore City.

Analysis and Interpretation:

		Frequency	Percent
Age	Below 20 years	30	12
	21 to 30 years	165	66
	31 to 40 years	45	18
	Above 50 years	10	4
	Total	250	100
Gender	Male	195	78
	Female	55	22
	Total	250	100
Marital Status	Married	100	40
	Unmarried	150	60
	Total	250	100
Educational Qualification	UG	150	60
	PG	75	30
	Others	25	10
	Total	250	100
Occupation	Government sector	10	4
	Private sector	215	86
	Business	5	2

Monthly Family Income	Unemployed	15	6
	Others	5	2
	Total	250	100
	Less than Rs.20000	55	22
	Rs.20001-30000	75	30
	Rs.30001-40000	25	10
	Rs.40001-50000	25	10
	More than Rs.50000	70	28
	Total	250	100

Interpretation:

12% are from the age group of below 20 years, 66% are from the age group of 21 to 30 years, 18% are from the age group of 31 to 40 years and 4% are from the age group of above 50 years. 78% are male and 22% are female. 40% are married and 60% are unmarried. 60% have completed their UG, 30% have completed their PG and 10% have completed other courses. 4% are from government sector, 86% are from private sector, 2% are doing business, 6% are unemployed and 2% are doing other occupation. 22% are earning less than Rs.20000, 30% are earning from Rs.20001-30000, 10% are earning from Rs.30001-40000, 10% are earning from Rs.40001-50000 and 28% are earning More than Rs.50000. 56% are from nuclear family, 40% are from joint family and 4% are from others.

Knowledge about Online Shopping:

	Frequency	Percent
Family Members	5	2
Friends/Relatives	120	48
Media	80	32
Colleagues	30	12
Others	15	6
Total	250	100

Interpretation:

The above table shows about knowledge about online shopping of the respondents were out of 250 respondents 2% get knowledge about online shopping from family members, 48% are getting knowledge through friends and family members, 32% are getting information from media, 12% are getting information from colleagues and 6% are getting information from other sources. It shows that most of the respondents are getting information from friends and relatives.

Comparison Between age and Factors Related to level of Acceptance with Customer's Perception & Attitude about Online Shopping:

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.598	0.238		10.917	0
	Level of acceptance towards security of online payment methods	-0.003	0.053	-0.004	-0.056	0.955
	Level of acceptance towards shopping online without any fear if there are strict cyber-laws in place to nab	-0.009	0.053	-0.013	-0.161	0.872
	Level of acceptance towards saving time by shopping on the Internet	-0.271	0.065	-0.319	-4.198	0
	Level of acceptance towards reducing their efforts in travelling, walking, parking, waiting, and carrying	0.006	0.097	0.005	0.062	0.951
	Level of acceptance towards shopping online as they can take as much time as they want to decide.	-0.069	0.067	-0.084	-1.021	0.308
	Level of acceptance towards shopping online as they can shop whenever they want.	-0.106	0.08	-0.109	-1.335	0.183
	Level of acceptance towards preferring to purchase from a website that	0.21	0.076	0.231	2.781	0.006

provides safety and ease of navigation and order.					
Level of acceptance towards website layout helps me in searching and selecting the right product while shopping online.	0.066	0.073	0.067	0.906	0.366
Level of acceptance towards preference to buy from website that provides them with quality of information.	-0.029	0.071	-0.03	-0.402	0.688
Level of acceptance towards willingness to browse websites even when they don't plan to buy anything.	-0.028	0.044	-0.038	-0.634	0.527
a. Dependent Variable: Age					

Model Fit:

Age (Dependent variable) (Constant) 2.598= Level of acceptance towards security of online payment methods (-0.003) + Level of acceptance towards shopping online without any fear if there are strict cyber-laws in place to nab (-0.009) +. Here, variables level of satisfaction towards Mobile / Tele banking, level of satisfaction towards branch banking, level of satisfaction towards ATM banking, Level of acceptance towards assurance with service quality dimension, level of acceptance towards empathy with service quality dimension are directly proportional to gender. The factors level of satisfaction towards Internet Banking, level of acceptance towards tangibility with service quality dimension, level of acceptance towards reliability with service quality dimension, level of acceptance towards responsiveness with service quality dimension and Perception of customers for service quality factors are inversely proportional to gender.

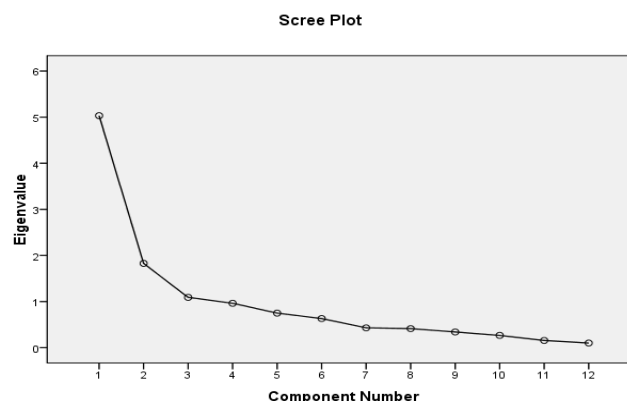
Factor Analysis for Purpose of Improving the Quality of Online Shopping:

A total of 12 variables were identified for the purpose of improving the quality of online shopping. In order to reduce the number of variables and to identify the key factors contributing towards overall satisfaction towards online shopping, factor analysis is performed. KMO and Bartlett's test is conducted to identify the sampling adequacy.

KMO and Bartlett's Test for Purpose of Improving the Quality of Online Shopping:

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.657
Bartlett's Test of Sphericity	Approx. Chi-Square	1.99E+03
	df	66
	Sig.	0

KMO of sampling adequacy value for level of acceptance of respondents towards marketing aspects is 0.657 and it indicates that the sample is adequate to consider the data as normally distributed. The number of factors as identified by performing the screen plot. The results are shown below,



Screen plot shown the above figure gives a pictorial view of the number of components to be shortlisted and to become factors based on Eigen value. So from the above chart become three factors have been shortlisted. Rotated component matrix is used to identify the factors after data reduction. The results are shown below,

Rotated Component Matrix for Purpose of Improving the Quality of Online Shopping:

Rotated Component Matrix	
	Component

	1	2	3
Perception towards Eliminating the internet woes	0.285	0.622	0.249
Perception towards making aware of the real cost	0.166	0.765	0.232
Perception towards intimating the shipping cost	0.02	0.339	0.615
Perception towards credit card hoaxes during multiple transactions	-0.175	0.602	0.577
Perception towards lack of options	0.106	-0.107	0.856
Perception towards deceptive pictures	0.277	0.253	0.759
Perception towards distraction through advertisements	0.405	0.725	0.101
Perception towards strengthening the e-shopping security	0.858	0.265	-0.022
Perception towards IT Policies to be stringent	0.816	0.224	0.045
Perception towards cyber law	0.424	0.638	-0.116
Perception towards enhancement of awareness level	0.744	0.114	0.275
Perception towards grievance redressal	0.513	0.436	0.375
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 7 iterations.			

Interpretation:

From the above table, the common factors above the values above 0.5 are considered for decision making process of the study. The factors are perception towards eliminating the internet woes, perception towards intimating the shipping cost, perception towards credit card hoaxes during multiple transactions, and perception towards cyber law.

Findings:

- Maximum of the respondents are male in our survey.
- Most of the respondents are unmarried in our survey.
- Maximum of the respondents have completed their UG in our survey.
- Most of the respondents are from private sector in our survey.
- Maximum of the respondents are earning from Rs.20001-30000.
- Most of the respondents are from nuclear family.
- Maximum of the respondents are having 4 members in their family.
- Most of the respondents are getting information from friends and relatives.
- Maximum of the respondents are shopping from 2-3 years.
- Most of the respondents are shopping sometimes.
- Maximum of the respondents are making purchase when they are in office.
- Most of the respondents are opting Flip kart.
- The factors level of satisfaction towards Mobile/Tele banking, level of satisfaction towards branch banking, level of satisfaction towards ATM banking, Level of acceptance towards assurance with service quality dimension, level of acceptance towards empathy with service quality dimension are directly proportional to gender.

Suggestions:

- As there are no proper laws for online purchases, they have to be implemented to prevent the anonymous intruders. This will help to maintain security and private information properly concerning the respondents. So the website developers and service providers should take necessary steps to overcome this problem.
- Web based technologies upgrades creative conceptualization that would improve the response from technology savvy consumers. So the firms have to invest in such new technologies.
- Internet environment has to be improved in the areas of art, dynamic and interactive techniques. This improvement will give more visual appeal.

Conclusion:

The conclusion is that as there are no proper laws for online purchases, they have to be implemented to prevent the anonymous intruders. This will help to maintain security and private information properly concerning the respondents. So the website developers and service providers should take necessary steps to overcome this problem and preference to particular product can be changed based on the taste and preference of customers so updation towards the product can be matched accordingly by the companies to increase the sales in future period of time.

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