

## A STUDY OF FACTORS AFFECTING ONLINE SHOPPING MODES IN HARYANA

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### INTRODUCTION:

Traditionally, shopping meant actually going to a conventional retail outlet, looking for and comparing products by making inferences, eventually asking the seller for recommendations and finally paying at the counter. However this position changed noticeably within the last decades, with the surfacing of other purchasing channels like catalogue shopping, shopping via televisions, or online shopping. More and more conventional retailers integrate one or more of these channels into their business model in order to be sustainable, to react better to consumers' requirements and to be- in the end- more beneficial. The development of World Wide Web has resulted in the making of a new form know as online-shopping. Through online-shopping, consumers interact in an implicit environment via the Website interface.

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**LITERATURE REVIEW:**

**Bagozzi (1974)** in his study reveals that E-shopping behavior is a complicated decision process. First, consumers make a shopping decision based on their family needs, budget limitations, and other constraints impinging on them. Accordingly, they are likely to minimize transaction costs and maximize compatibility with needs. Second, e-shopping behavior is a social influence process and it is affected by social influence (e.g., social norms), vendor and consumer characteristics, and third parties (e.g., competitive offerings)

**Chua (1990)** found that in Singapore, the shopper in a retail store may find himself under pressure to make a purchase, until the purchase has been decided and the shopper becomes the customer, at which time the interactional pressure shifts to the sales person. On the Internet, there is no such pressure on the shopper to begin with, but there is also no satisfaction of losing the pressure and moving it on to a sales person on e-commerce websites.

**Goodwin (1991)** found that to most consumers, the issue of security and privacy over the Internet is the most overwhelming barrier facing the adoption of Electronic Commerce that caused them not to make any purchase on the Internet. Widely publicized security lapses on the Internet, where hackers have accessed personal financial information being sent electronically, have done little to boost consumer confidence in the Internet as a conduit for commerce.

**Mayer et al. [1995]** developed a model which combines traditional marketing philosophy on consumer motivation to buy and the trust model. In this model, trust propensity; which is a personality trait possessed by buyers; is an important antecedent of trust. In Internet shopping, there is not much information available to the buyer regarding the seller, prior to purchase. A buyer with a high propensity to trust will more likely be a potential customer than a buyer with a lower propensity. Mayer et al. [1995] proposed that ability, benevolence and integrity constitute the main elements of trustworthiness. Ability refers to skills, competencies and characteristics that a seller has in a specific domain. In this context, sellers need to convince buyers of the competence of their companies in the Internet shopping business. Benevolence is the extent to which the seller is perceived by the buyer as wanting to 'do good'. Sellers have to convince buyers that they genuinely want to do good things for buyers, rather than just maximize profit.

**Quelch & Klein (1996)** conducted the study on “the internet and international marketing” and revealed that trust is an important factor in determining whether an individual chooses to, or not to, acquire goods or services via the Web.

**Shim (1996)** conducted the study on “Adolescent Consumer Decision-Making Styles: The Consumer Socialization Process.” The Existing research of the study indicates that there are distinct factors that influence teen decision-making style. In particular, girls were found to be more concerned with novelty and fashion than boys, and girls also reported that they were more concerned with value-for-money than boys, and that they shopped as a recreational activity, which they found to be enjoyable.

### **TYPES OF SHOPPING:**

#### **Brick and Mortar**

Retailing is the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers. A retailer is one who stocks the producer’s goods and is involved in the act of selling it to the individual consumer, at a margin of profit. As such, retailing is the last link that connects the individual consumer with the manufacturing and distribution chain.

#### **Online shopping**

A process in which images or listings of goods and services are viewed remotely via electronic means, *e.g.*, a vendor’s Website, items are selected for purchase, and the transaction is completed electronically with a credit card or an established credit account.

#### **Consumer Behavior:**

Consumer Behavior is defined as the study of individuals, groups, or organizations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. The elements in Consumer behavior are influenced by a plethora of elements from Psychology, Sociology, Social Anthropology and Economics; thus, making the study both interesting and complicated at the same time.

#### **Hypothesis:**

##### **NULL HYPOTHESIS H0:-**

There is no significant impact of security on online shopper’s attitude.

##### **ALTERNATE HYPOTHESIS H1:-**

There is significant impact of security on online shopper’s attitude.

##### **HYPOTHESIS 2:-**

**NULL HYPOTHESIS H0:-**

There is no significant impact of delivery time on online shopper's attitude.

**ALTERNATE HYPOTHESIS H1:-**

There is significant impact of delivery time on online shopper's attitude.

**HYPOTHESIS 3:-****NULL HYPOTHESIS H0:-**

There is no significant impact of confidentiality on online shopper's attitude.

**ALTERNATE HYPOTHESIS H1:-**

There is significant impact of confidentiality on online shopper's attitude.

**HYPOTHESIS 4****NULL HYPOTHESIS H0:-**

There is no significant impact of ease of use on shopping mode for consumer.

**ALTERNATE HYPOTHESIS H1:-**

There is significant impact of ease of use on shopping mode for consumer.

**HYPOTHESIS 5****NULL HYPOTHESIS H0:-**

There is no significant impact of product bundling on shopping mode for consumer.

**ALTERNATE HYPOTHESIS H1:-**

There is significant impact of product bundling on shopping mode for consumer.

**HYPOTHESIS 6****NULL HYPOTHESIS H0:-**

There is no significant impact of bargain facility on shopping mode for consumer.

**ALTERNATE HYPOTHESIS H1:-**

There is significant impact of bargain facility on shopping mode for consumer.

**RESEARCH METHODOLOGY:**

Primary data was collected through individual face-to-face interviews conducted in a structured manner. A questionnaire designed for the purpose of eliciting information was used. The questions were formulated in such a way that key concept were addressed. The respondents were asked a series of pre-established questions with a limited set of response categories; the questions were mostly closed-ended.

**Research Objectives:**

- To study the consumer preferences towards online & offline methods of shopping.
- To study the perception of customers towards online shopping.
- To identify the factors favorable for the growth of online shopping in India.

- To identify the factors favorable for the growth of online shopping in India
- To identify the barriers for online shopping.
- To study the future of online shopping in India.

## FINDINGS:

### Statistical Analysis

The statistical software SPSS has been used to analyze the data collected in this research work. The statistical tools applied are Factor analysis, Correlation, Regression and Chi-squared test.

### Factor Analysis

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.620
Bartlett's Test of Approx. Chi-Square Sphericity	5.364E3
Df	45
Sig.	.000

#### Component Matrix<sup>a</sup>

	Component		
	1	2	3
Secure	.932		
easy to do	.909		
Useful	.896		
user friendly	.888	-.300	
reasonable price	.755	.337	-.501
delivery time	.726		.571
Enjoyable	.678	-.612	
Discounts	-.610	-.422	.301
diff in quality		.915	
scope of bargain	-.525	.463	.633

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

### **Interpretation:-**

- This KMO and Bartlett's is signifying the value i.e. 0.620 which is greater than the value 0.5. Hence the value signifies that data collected is highly significant.
- This is the matrix showing three very important factors and their values in each column. Highest value is selected from each column which shows the importance of most important variables which are impacting more on the post purchase evaluation and will be most influencing factors.
- Those three important variables are security, difference in quality & scope of bargain.

### **Regression:-**

#### **Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.390 <sup>a</sup>	.852	.150	.50353

a. Predictors: (Constant), scope of bargain

b. Dependent Variable: shopping\_Mode

**Interpretation:-** This table represents that independent variable, "scope of bargain" has R square value as 85.2% impact on dependent variable i.e. "Shopping mode".

### **Correlation:-**

#### **Correlations**

		secure	Shopping_Mode
Security	Pearson Correlation	1	.802**
	Sig. (1-tailed)		.000
	N	431	431
Shopping_Mode	Pearson Correlation	.802**	1
	Sig. (1-tailed)	.000	
	N	431	431

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

**Interpretation:-** This table represents that there is high degree of positive correlation between “security” and “shopping mode” that amounts to .802.

#### Correlations

	diff in Shopping quality	_Mode
User_Friendly Pearson Correlation	1	.027
Sig. (1-tailed)		.287
N	431	431
Shopping_Mode - Pearson Correlation	.027	1
Sig. (1-tailed)	.287	
N	431	431

**Interpretation:-** This table represents that there is low degree of positive correlation between “User\_Friendly” and “shopping mode” that amounts to .027.

#### Correlations

	scope of bargain	of Shopping_Mode
scope of bargain Pearson Correlation	1	-.390**
Sig. (1-tailed)		.000
N	431	431
Shopping_Mode Pearson Correlation	-.390**	1
Sig. (1-tailed)	.000	
N	431	431

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

**Interpretation:-** This table represents that there is moderate degree of negative correlation between “scope of bargain” and “shopping mode” that amounts to -.390.

**Chi- square test** is used to test the hypothesis:-

#### Test Statistics

	easy to do	bargain facility	Product bundle	Security	Delivery_Ti me	Confidentialit y
Chi-Square	28.960 <sup>a</sup>	65.360 <sup>a</sup>	35.180 <sup>b</sup>	36.2180 <sup>b</sup>	25.160 <sup>b</sup>	34.340 <sup>b</sup>
Df	3	3	2	2	2	2
Asymp. Sig.	.000	.061	.000	.073	.000	.000

**Interpretation:-** This table represents that independent variables i.e. easy to do, product bundling, delivery time and confidentiality have asymp. side value as .000, .000, .000, and .000 respectively which is less than .05. Thus alternate hypothesis is accepted for all hypotheses. This implies that ease of use, product bundling, delivery time and confidentiality have no significant impact on shopping mode. However, the asymp. side value for security is .073 and for bargain facility is .061, which are more than .05; hence in these cases the null hypotheses are accepted. This implies that security and scope for bargain have a significant impact on shopping mode.

**The statistical analysis of primary data has, thus, revealed the following results:**

1. KMO and Bartlett test revealed that the data collected is highly significant.
2. There are 3 important factors revealed by Factor analysis, which are security, difference in quality & scope of bargain.
3. Regression analysis has revealed that scope of bargain has a huge impact on choice of shopping mode (whether a customer prefers online or offline mode of shopping).
4. Correlation analysis revealed a high degree of correlation between security and mode of shopping.
5. Also, there is a low degree of positive correlation between user friendliness of the mode and choice of shopping mode.
6. There is moderate degree of negative correlation between scope of bargain and choice of shopping mode.

7. The results of Chi squared test implies that ease of use, product bundling, delivery time and confidentiality have no significant impact on shopping mode and that security and scope for bargain have a significant impact on shopping mode.

### CONCLUSION:

1. With internet penetration on the increase in India and newer market segments being empowered by mobile technology and connected to the internet, online shopping will become an important alternate to traditional mode of shopping.
2. Some factors which inhibit the use of online shopping have been identified as lack of security in online transactions, lack of bargaining power on the internet, confidentiality concerns over sharing of consumers' data without their knowledge, trust in online vendors, difference in actual and online depicted product and ease of using the vendor's website.
3. Brick-and-mortar stores with online presence are more likely to instil confidence in consumers.
4. Internet is being used to compare prices and features of products online as well as reading product reviews, exchanging information, searching information and communication purposes.
5. The power of social networking sites like Twitter and Facebook are yet to be realised to attract online prospects into customers.

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