



STUDY ON THE FACTORS INFLUENCING INTENTION TO MAKE ONLINE PURCHASE

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ABSTRACT

Introduction: *Marketing means providing total solution to a customer. Marketing aims at transforming the potential demand of a market into actual demand of goods and service in order to satisfy human desires and requirements.*

Aim of the study: *the main aim of the study is to Factors Influencing Intention To Make Online Purchase*

Material and method: *In order to understand the consumer attitude towards online shopping it is better to identify the factors that influence the consumer's intention or desire to make online shopping.*

Conclusion: *The success of online shopping essentially depends on consumer satisfaction during their purchase.*

INTRODUCTION

Marketing means providing total solution to a customer. Marketing aims at transforming the potential demand of a market into actual demand of goods and service in order to satisfy human desires and requirements. Marketing tries to understand the customer's unsatisfied needs, his potential and changing needs. It tries to look ahead in order to understand the changing needs to customers. In marketing anticipation of buyer's need is better than reaction to buyer's need. The key question is how to create new needs rather than merely satisfy existing requirement. Many new markets lie hidden in existing markets. Germinating an idea can create a new market. True marketing involves perceiving a world other do not immediately see (Bill Gates, Richard Branson). Being proactive means having the courage to anticipate rather than to respond to customers and thereby creating and becoming the future. Marketing should focus on market creation and not market sharing. Market sharing strategies emphasize advertising, promotion, pricing and distribution. Market-creating strategies focus on creating new ideas. The company with greatest innovation and creativity is likely to win. Innovations center on creatively using resources, information and technology to cater for unique needs of these individuals, moving and growing with them. The firm must be prepared to encourage new ideas and spend adequately on field experiments. The products and services which emphasize innovative design result from more intense listening to customers.



1.1 E-COMMERCE AND BUSINESS MODELS

Electronic commerce, normally known as e-commerce, is the purchasing and selling of items or services over electronic platforms, for example, the Internet and other PC organizations. The electronic business draws on such headways as electronic payments, flexibly chain the executives, internet promoting, online transactions taking care of, Electronic Data Interchange (EDI), stock administration structures, and mechanized data variety systems.

LITERATURE REVIEW

Madasu Bhaskara Rao, Ch Lakshmi Hymavathi, et al (2018) have studied "Factors Affecting Female Consumer's Online Buying Behaviour." The focus of the research is on the factors that influence the online shopping behaviour of women. For this research, 316 Vijayawada city female customers across age ranges were evaluated. Both self-controlled polls and a simple random sample technique were used to get the necessary data. The collected data was analysed using a variety of methods, including simple categorization, component analysis, and percentages. The study's findings revealed that ease of use and adaptability play a significant role in attracting female internet shoppers. They purchase online because it's convenient and easy to use from the comfort of their own homes. The reliability of the service provider and the safety of online transactions are also crucial. Women generally place a high value on reading product reviews online and having a captivating time the board. Therefore, it is assumed that e-commerce sites should consider the aforementioned criteria while developing their user interfaces.

Muhammad Shafeeque & Thomachan.K.T, (2017) Risk Perception in E-Commerce: A Holistic Review of Emerging Online Shopping in India aims to identify the variety and scope of risk discernment in online purchasing. The study relied heavily on data from 100 randomly selected internet shoppers in the Kozhikode region who were subjected to unconventional inspection methods. The collected data was analysed using the Kruskal-Wallis test, Chi-square test, and test of proportion. The study's findings suggested that the majority of customers feel some degree of risk while shopping online. These risks might be connected to the quality of the products offered, the length of time it takes to complete an order, the amount of money spent, etc. It was predicted that internet shopping will explode in popularity in India for a number of reasons, including convenience, selection, price comparisons, user reviews, and other feedback.

Vivek Singh Tomar, Sunetra Saha, et al (2017) have looked at the "Cognitive and Conative Influences on the Perceived Benefits of Online Shopping" The study acknowledged the obvious benefits of internet buying and classified them into important categories. Conative and psychological effects of the perceived benefits of internet shopping on customers' mindsets were also investigated. To acquire this information, we surveyed 300 people who had some familiarity with purchasing online. An exploratory factor analysis was conducted on the perceived benefits of online purchasing, yielding a total of seven factors that were identified as particularly salient. Factors including ease, agency, independence, privacy,



proximity, cost-effectiveness, and independence were considered. A Structure condition model-based examination of the relationship between consumers' expectations for future online purchases and their perceptions of the benefits of online shopping, the level of support for online shopping, consumers' evaluations of the benefits of online shopping, and the shopping habits of current consumers was adopted. It was determined that a positive Benefit evaluation of online shopping resulted from a positive Perceived advantages evaluation of online buying. Additional positive evaluations of online shopping's benefits led to optimistic forecasts of increased use of the channel going forward.

METHODOLOGY

In order to understand the consumer attitude towards online shopping it is better to identify the factors that influence the consumer's intention or desire to make online shopping. The online shopping behavior refers to the process of purchasing products or services through internet. This chapter makes an attempt to identify the factors that influence the respondent's intention to make online purchase. This would provide a comprehensive picture of the respondent's willingness to buy goods and services from online and explain consumer's involvement during the online shopping process.

RESULTS

4.1 DEMOGRAPHIC PROFILE OF THE RESPONDENTS

4.1.1 Educational Qualification

Education is the backbone of every successful man. Education provides the information to live successfully and to take care of their people and family. Computer has been introduced in all the educational institutions as the part of technological enhancement. Education is the base for knowledge and wisdom and it highly influences the behaviour of an individual. Classification based on education of the respondents is given in table 4.1.

Table 4.1 No. Of Respondents On The Basis Of Education Level

Sl. No.	Educational Qualification	No. of respondents	Percentage
1	Up to Higher Secondary Level	44	9.2
2	Diploma	100	19.9
3	Under Graduate	80	16.0
4	Post graduate	120	23.8
5	Professionals	156	31.1
	Total	500	100

The table 4.1 reveals that out of the total respondents who buy through online, 31.1 percent are professionals, 23.8 are percent are post graduates, 19.9 percent are diploma holders, 16 percent are under graduates and 9.2 percent are up to higher secondary level. It shows clearly that educational qualification plays an important role in online buying as 54.9 percent is constituted by highly qualified respondents.

4.1.2 Marital Status

Marital status or civil status, are the distinct options that describe a person's relationship with a significant other. Marital status, is an important factor as spouse plays a major role in purchase decisions.

Table 4.2 No. Of Respondents On The Basis Of Marital Status

Sl. No.	Marital Status	No. of respondents	Percentage
1	Married	321	63.9
2	Unmarried	179	36.1
	Total	500	100

From the above table 4.2, it is revealed that 63.9 percent of the respondents are married and 36.1 percent are unmarried. Therefore, majority of the married respondents are using online shopping for their purchases over unmarried respondents because their family wants and needs are more.

4.2 FACTORS INFLUENCING INTENTION TO MAKE ONLINE PURCHASE

Intention means the desire of consumers to make online purchase, which is influenced by many variables. On the basis of literature review and interaction with respondents, the researcher has short listed seventeen factors that influence a respondent's intention to make online shopping. The short-listed factors are analysed on gender basis with the help of means score to rank the most influential factor. The result is given in table 4.3.

Table 4.3 Factors Influencing Intention To Make Online Purchase

Sl. No.	FACTORS	Male		Female		Overall		t-value	p-value
		Mean score	Rank	Mean score	Rank	Mean score	Rank		
1	24-Hours access	4.00	II	3.78	IV	3.89	IV	2.592*	.010
2	Availability of Internet facility	3.64	X	3.45	XIII	3.55	X1	2.613*	.009
3	Convenience and Time saving	3.93	V	4.13	II	4.03	III	-2.366*	.018
4	Secured payment	3.49	XIII	3.71	VI	3.60	IX	-2.620*	.009
5	Fast shipping	3.69	VII	3.53	XI	3.61	VIII	2.005*	.045
6	Ease of payment options	3.95	IV	3.77	V	3.86	V	2.516*	.012
7	Option to return defective products	3.40	XIV	3.55	IX	3.48	XII	-2.231*	.026
8	No duplicate	3.54	XI	3.30	XIV	3.42	XIV	2.323*	.021
9	Reasonable Price	3.35	XV	3.54	X	3.45	XIII	-2.287*	.023
10	Safety and personal information	3.53	XII	3.27	XV	3.40	XV	3.359*	.001
11	Accessibility to various brands	3.98	III	4.23	I	4.11	I	-3.602*	.000
12	Discounts and offers	4.13	I	3.95	III	4.04	II	2.616*	.009
13	Web Knowledge	3.18	XVI	3.23	XVI	3.21	XVI	-.638	.524
14	Easy navigation	3.68	VIII	3.69	VII	3.69	VII	-.176	.860
15	Product and Price Comparison	3.65	IX	3.46	XII	3.56	X	2.412*	.016
16	Not available in local stores	3.02	XVII	3.19	XVII	3.11	XVII	-2.523*	.012
17	Product reviews available	3.87	VI	3.68	VIII	3.78	VI	2.424*	.016
	Average score	3.648		3.615		3.63			

**Significant at five percent level*

From the above table 4.3, it can be crystallised that the most influential factors for making online shopping among men are, ‘discounts and offers’, as it ranks I, followed by ‘24-hours access’, which is ranked II, ‘accessibility to various brands’, III, ‘ease of payment options’ IV and ‘convenience and time saving’ V, with the mean scores of 4.13, 4.00, 3.98, 3.95 and 3.93 respectively. The least influential factors are ‘not available in local stores’ and ‘web knowledge’ with scores 3.02 and 3.18 respectively.

4.3 KEY FACTORS INFLUENCING THE INTENTION TO MAKE ONLINE PURCHASE

In order to find out the key drivers that influence the preference for online purchasing, further analysis is made with the help of factor analysis. The given seventeen factors are extracted into smaller and manageable number by combining the related factors to form key factors with the help of factor analysis.

Table 4.4 KMO And Bartlett’s Test

KMO Measure of sampling adequacy Bartlett’s Test of sphericity	0.600
Application of Chi-Square value	3348.706
Degrees of freedom (df)	136
Significance	0.000

KMO value is very high (0.600). Similarly the Bartlett’s test rejects the null hypothesis that the attributes are not related as the approximate chi-square value is 3348.706 at 136 degrees of freedom which is significant at five percent level. Therefore, factor analysis may be considered as an appropriate technique.

Table 4.5 Rotated Component Matrix for Factors Influencing The Purchase Intention

Sl. No.	Key Factors	Components				
		Consumer Safety	Consumer convenience	Consumer Usage	Consumer service	Consumer Review
1.	Safety and personal information	.726				
2.	Secured payment	.695				

3.	Not available in local stores	.582				
4.	No duplicate	.546				
5.	Reasonable Price	.538				
6.	Convenience and Time saving		.807			
7.	Accessibility to various brands		.694			
8.	Discounts and offers		.644			
9.	Web Knowledge			.704		
10.	Availability of Internet facility			.687		
11	Easy navigation			.603		
12	Ease of payment options				.724	
13	Fast shipping				.634	
14	Option to return defective products				.614	
15	24-Hours access				.578	
16	Product reviews available					.732
17	Product and Price Comparison					.588

The rotated component matrix in the table 4.5 indicated that the seventeen variables are extracted into five key factors based on the loading. The reduced five factors are named as ‘consumer safety’, ‘consumer convenience’, ‘consumer usage’, ‘consumer service’, and ‘consumer review’. The extracted five key factors are presented in table 3.21 with its number of variables, Eigen Value, percentage of variation explained.

Table 4.6 Key Factors That Influence the Online Purchase Intention

Sl. No.	Main Reasons	Number of variables	Eigen value	Percent of variation explained	Cumulative percent of variation explained
1.	Consumer Safety	5	4.119	24.230	24.230
2.	Consumer Convenience	3	2.315	13.621	37.850
3.	Consumer Usage	3	1.582	9.305	47.155
4.	Consumer service	4	1.421	8.359	55.514
5.	Consumer Review	2	1.142	6.718	62.232

The most important factor is ‘consumer safety’ since its eigen value is 4.119. The ‘consumer safety’ has the percentage of variance of 24.230. In this factor the variables, ‘safety and personal information’, ‘secured payment’, ‘not available in local stores’, ‘no duplicate’ and ‘reasonable price’ are included with high loadings of .726, .695, .582, .546 and .538 respectively. The second factor named as ‘consumer convenience’ which has a percentage of variance of 13.621 and its eigen value is 2.315. This factor is a combination of variables such as ‘convenience and time saving’ (.807), ‘accessibility to various brands’ (.694) and ‘discounts and offers’ (.644).

CONCLUSION

The success of online shopping essentially depends on consumer satisfaction during their purchase. This paper has analysed the indicators of consumer satisfaction and has predicted the key factors that contribute to consumer satisfaction towards online shopping. It has also focused on the problems involved in online shopping and has identified the key problems involved in online shopping when they make online purchase. Moreover this chapter has made an attempt to explain the variation in consumers experience and expectation while they make online purchase, through which user’s perceived quality can be judged.

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