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Analysis of Factors Contributing To E-Commerce Purchase

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ABSTRACT: The main objective of the study is to study about the key product and service categories opted by online consumers and to identify the factors influencing the consumer's attitude and buying Behavior of the online consumers. For this purpose a sample of 150 will be collected from the respondents were percentage analysis, regression and onewayAnova were used as tools to analyse the data. The conclusion is that while shopping the customers feel dissatisfaction towards judging the quality of merchandise over internet and this factor has to be taken in to consideration by the companies towards further enhancement. It is also concluded that while taking decision on satisfaction on customers the factors perceived risk, commercial risk with shopping online, trust towards online shopping, habits on shopping online, return policy towards product purchased and cyber laws has to be taken in to consideration towards decision making process.

KEYWORDS: E-commerce, Perceived risk and Satisfaction.

I. INTRODUCTION

Internet shopping (also called online shopping) allows the customers to perform a wide range of shopping activities with the help of the World Wide Web from home, office or cybercafé. Retailers are increasingly offering online shopping platform for promoting their business taking advantage of the developments in the IT sector with the use of encrypted and secured gateways, retailers are trying to make the online trading experiences risk-free and pleasant for the consumers. From the consumer's perspective, online shopping provides a convenient and effective approach for managing one's shopping needs: it is easily accessible 24 x 7. The consumers have access to retailers worldwide as well as to those products and services which are not readily available in his/her area. However, growth of e-commerce industry in India is in slow pace compared to the developed countries. Due to smart phone penetration, increasing computer literacy, technological changes in telecommunication, Digital India along with various others factors which influence online purchase behavior every consumer has more chance to become online consumer. As e-commerce and online trading have been increasingly occupying more space in the consumer market and more and more number of companies are entering into online trading, it would be of great relevance to conduct a study on the behavior of the consumers and the factors influencing consumer behavior in the present context.

II. REVIEW OF LITERATURE

The theory of planned behavior (TPB) was proposed by Icek Ajzen (1985) as an extension of Theory of Reasoned Action (TRA) (Fishbein & Ajzen 1975) for situations where people do not have complete control over their behavior. The limitations of the TRA led to the development of the TPB by Ajzen (1991) to predict the behaviors where people have incomplete or low volitional control. The TPB accounts for the factors outside individual control that may affect the development of intention and behavior. A study by Li, Jianguo, Concordia University (Canada), (2001) on the individual consumer's acceptance of online shopping reported the relative advantage of online shopping. The study reported that the factors such as the compatibility of online shopping, the voluntariness of individual consumer's doing online shopping, customers' prior experience, and consumer innovativeness are positively correlated with individual

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consumer's intention of adopting online shopping. On the contrary, both the transaction cost involved in purchasing of goods online and a customer's sensitivity to the risk involved have negative correlation with his/her adoption intention.

III. RESEARCH GAP ADDRESSED

The available literature on the behavior of consumers towards online shopping and that of the factors influencing their behavior suggest that much attention was given to the study the influence of the external environmental factors on the online purchase decisions of the consumers. Studies which have focus on the impact of online shopping elements had covered only some of the elements and have studied the impact of those specific factors on online purchase decisions of the consumers. Much comprehensive studies are not available to measure the influence of all online shopping elements on the online purchase decisions of consumers. Moreover, many of the studies available are conducted in technologically advanced countries and in the Indian context literature on consumer behavior towards e-commerce and online shopping is not found adequately. Hence, this study is taken up to close this particular research gap. All the elements of online shopping like Privacy, Security, Time Saving, Convenience and culture are considered and their influence on the online shopping decisions of the consumers are attempted in this study.

IV. STATEMENT OF PROBLEM

E-commerce is considered to be one of the emerging concept towards purchase made by the consumers. The buying behaviour of the customers are changing each and every day based on the updation towards the products purchased. The problem is to analyse the perception of customers towards Privacy, Security, Time Saving, Convenience and culture with shopping online.

V. OBJECTIVES OF THE STUDY

- To study about the demographic variables of the respondents.
- To evaluate the customer towards Privacy, Security, Time Saving, Convenience and culture.
- To analyse the marketing aspects of factors related to online shopping.
- To analyse the level of satisfaction of customers towards online shopping.

VI. SCOPE OF THE STUDY

The study is analyse the perception of consumers towards E-commerce. The study will help the companies to know about the perception of customers about products purchased and this will help them to reduce their errors which leads to higher satisfaction in near future. Exemplar based Inpainting technique is used for inpainting of text regions, which takes structure synthesis and texturesynthesis together. The inpainting is done in such a manner, that it fills the damagedregion or holes in an image, with surrounding colour and texture. The algorithm isbased on patch based filling procedure. First find target region using mask image and then find boundary of target region. For all the boundary points it defined patch andfind the priority of these patches. It starts filling the target region from the highestpriority patch by finding the best match patch. Thisprocedure is repeated until entire target region is inpainted. The algorithm automatically generates mask image without user interaction that contains only text regions to be inpainted.

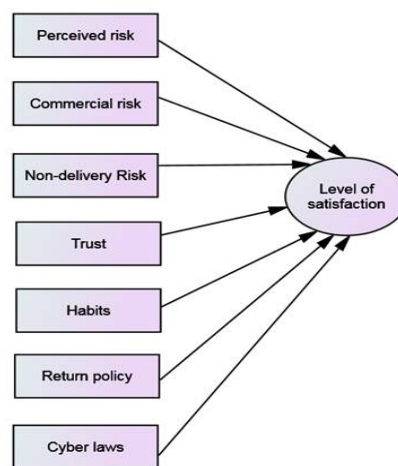
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VII. RESEARCH MODEL



VIII. RESEARCH METHODOLOGY

Research Design

This study is a Descriptive Study. The major purpose of this research is a description of how consumers are influenced by online shopping.

Sampling Design and Data Collection

The population of the study is all online shopper of northern Tamil Nadu. Multi-stage random sampling was used to select the respondents. All the Municipal Corporations were listed alphabetically. Random numbers were assigned to each municipal corporation and five were selected randomly. The municipal corporations selected were Erode, Salem, Tirupur, Coimbatore, and Namakkal. Then the Places in these municipal corporations were listed alphabetically and they were also selected using the method used to select the municipal corporations. Respondents were selected proportionate to population in each municipal corporation. The respondents were also selected randomly. The responses from 150 samples were taken for analysis. Both Primary and Secondary data were used in this study. Primary Data which was the responses of buyers of the online product were collected through personal interview method using a structured questionnaire. Secondary data were collected from various websites of Government of Tamil Nadu, websites containing database about online shopping and websites having articles, research reports about online shopping.

Statistical Tools used for Analysis

Chi-square, Correlation, ANOVA were used to interpret the data. Structural Equation Modelling (SEM) was used to validate the proposed theoretical model of this study

IX. LIMITATIONS OF THE STUDY

- The study was conducted among the respondents drawn from only selected cities of Tamil Nadu.
- Only few places are selected randomly from each city.
- The responses are got from individual consumers. The responses may be biased
- The sample size was limited to 150.

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X. ANALYSIS AND INTERPRETATION

Demographic variable	Particulars	N	Percentage
Age of the Respondent	Under 21	3	2
	21- 30	87	58
	31-40	47	31.3
	41-50	13	8.7
	Total	150	100
Gender of the Respondent	Male	122	81.3
	Female	28	18.7
	Total	150	100
Number of people living in their home	3-4	111	74
	4-6	33	22
	6-8	1	0.7
	8-10	5	3.3
	Total	150	100
Occupation of the respondents	Student	44	29.3
	Professional	95	63.3
	Own Business	9	6
	Homemaker	2	1.3
	Total	150	100
Education level of the respondents	Diploma	1	0.7
	UG	18	12
	PG	104	69.3
	PhD	27	18
	Total	150	100
Marital Status of the respondents	Single	78	52
	Married	72	48
	Total	150	100
Household Income Monthly	Below Rs 10000	14	9.3
	Rs20000-30000	66	44
	30000-40000	45	30
	Rs 40000-50000	25	16.7
	Total	150	100

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The above table depicts about the various demographic profiles of the respondents. It shows that the age group of the respondents is dominated by the respondents belonging to the age group between 21-30 years at 58%. Majority of the respondents are male in our survey. Majority of the respondents said that they have 3-4 members in their family who are living with them in their home. Majority of the respondents are professionals. Majority of the respondents have completed their PG. Majority of the respondents are married and maximum of the respondents earn from Rs20000-30000

Factor Analysis for attributes with online buying behaviour of the consumer

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.867
Bartlett's Test of Sphericity	Approx. Chi-Square	10877.174
	df	136
	Sig.	.000

A total of 17 variables were taken for the purpose of measuring sampling adequacy towards attributes with online buying behavior of the consumer were the KMO value is at 0.867 which is greater than 0.5. It reveals that the factors are normally distributed.

Rotated Component Matrix				
	Component			
	1	2	3	4
V1	.112	.126	.751	.206
V2	.197	.080	.741	.084
V3	.605	.096	.555	-.082
V4	.229	.692	.460	-.060
V5	.228	.730	.373	.095
V6	.577	.498	.059	-.068
V7	.749	.240	.108	-.043
V8	.821	.170	.187	.080

Rotated Component Matrix				
	Component			
	1	2	3	4
V9	.602	.284	.332	.067
V10	.534	.433	.212	.160
V11	.648	.400	.299	-.089
V12	.735	.036	-.001	.250
V13	.719	.328	.232	.111
V14	.161	.803	-.026	.244
V15	.401	.660	-.051	.146
V16	.155	.085	.143	.857
V17	-.006	.161	.090	.881

Based on the analysis the common factors above 0.5 are taken for decision making process. The factors are acceptance towards shopping online as they can shop in privacy of home, shopping as they do not have to leave home for shopping, shopping as they can save themselves from market crowd, shopping as they get broader selection of products online and shopping for buying products which are otherwise not easily available in the nearby market or are unique.

Attributes with Online buying behavior of the consumer
1-Strongly Disagree 2 –Disagree 3-Neutral 4 -Agree 5 -Strongly agree

Particulars	Mean value
Level of acceptance towards shopping online as they can shop in privacy of home	Mean :3.25 SD:1.233
Level of acceptance towards shopping as they do not have to leave home for shopping	Mean :3.22 SD:1.266

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Level of acceptance towards shopping as they can save themselves from market crowd	Mean :3.65 SD:1.09
Level of acceptance towards shopping as they get broader selection of products online	Mean : 3.77 SD:1.11
Level of acceptance towards shopping for buying products which are otherwise not easily available in the nearby market or are unique	Mean :3.84 SD: 1.07
Level of acceptance towards shopping making their shopping easy	Mean :3.68 SD:1.20

The mean value for all the factors related to attributes with Online buying behavior of the consumer is greater than 0.5. It shows that the respondents agree towards shopping online as they can shop in privacy of home (3.25), shopping as they do not have to leave home for shopping (3.22), shopping as they can save themselves from market crowd (3.65), shopping as they get broader selection of products online (3.77), shopping for buying products which are otherwise not easily available in the nearby market or are unique (3.84) and shopping making their shopping easy (3.68).

Factors related to level of acceptance with perceived risk towards online shopping

Particulars	Mean value
Level of acceptance towards respondents feeling that their credit-card details may be compromised and misused if they shop online	Mean : 2.57 SD:1.21
Level of acceptance towards respondents getting overcharged if they shop online as the retailer has their credit-card info	Mean :2.62 SD:1.13
Level of acceptance towards respondents feeling that their personal information given for transaction to the retailer may be compromised to 3rd party	Mean :2.76 SD:1.07
Level of acceptance towards respondents not getting what they ordered through online shopping	Mean :2.70 SD:1.08
Level of acceptance towards respondents receiving a malfunctioning merchandise	Mean :2.74 SD:1.03
Level of acceptance towards respondents hard to judge the quality of merchandise over Internet	Mean :3.24 SD:1.08

The respondents agree towards feeling that their credit-card details may be compromised and misused if they shop online (2.57), respondents getting overcharged if they shop online as the retailer has their credit-card info (2.62), feeling that their personal information given for transaction to the retailer may be compromised to 3rd party (2.76), respondents not getting what they ordered through online shopping (2.70) and respondents receiving a malfunctioning merchandise (2.74) and respondents disagree towards hard to judge the quality of merchandise over Internet (3.24).

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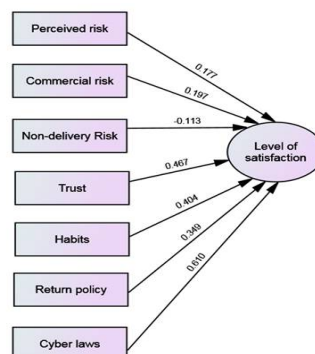
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Multiple regression for comparison between satisfaction and acceptance towards factors related to online shopping

Model summary



It depicts that the factors perceived risk, commercial risk with shopping online, trust towards online shopping, habits on shopping online, return policy towards product purchased and cyber laws with E-commerce industry have a positive impact towards satisfaction of customers who shop online.

XI. FINDINGS

- The age group of the respondents is dominated by the respondents belonging to the age group between 21-30 years.
- Majority of the respondents are male in our survey.
- Majority of the respondents said that they have 3-4 members in their family who are living with them in their home. Majority of the respondents are professionals.
- Majority of the respondents have completed their PG.
- Majority of the respondents are married.
- Maximum of the respondents earn from Rs20000-30000.
- The factors perceived risk, commercial risk with shopping online, trust towards online shopping, habits on shopping online, return policy towards product purchased and cyber laws with E-commerce industry have a positive impact towards satisfaction of customers who shop online.

XII. SUGGESTIONS

- With so many devices and so many different screen sizes the companies need a design that will look great across all platforms. While their design may look wonderful on a large computer screen that same design might be clunky and hard to use on a cell phone screen. A responsive design will be beautiful and easy to use on all platforms.
- The companies can give customers a perfect bundles that experts pick out is something that customers really enjoy. It gives them the perfect idea of what to buy. They also feel like they are saving time by having everything they want already packaged together.
- The customers need to easily be able to find what they want. The search options should be obvious and well organized. The categories should lead to the discovery of new and great products that the customer may not have thought of.

XIII. CONCLUSION

The conclusion is that while shopping the customers feel dissatisfaction towards judging the quality of merchandise over internet and this factor has to be taken in to consideration by the companies towards further enhancement. It is

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also concluded that while taking decision on satisfaction on customers the factors perceived risk, commercial risk with shopping online, trust towards online shopping, habits on shopping online, return policy towards product purchased and cyber laws has to be taken in to consideration towards decision making process.

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