

## **An Empirical Analysis of Customers Perception towards online Shopping in Jalandhar**

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**Abstract:** Nowadays, internet has created many opportunities for the sellers to stay competitive with a faster, convenient and cheaper ways to sell their products in the market. It offers various kind of ease to the customers. It also helps in search of finding product details. The rapid growth of e-commerce has changed the customer shopping experience. Therefore, the present study is an attempt to analyze the perception of the customers towards online shopping by using factor analysis. The primary data for this research has been collected through a survey of 100 consumers of Jalandhar by using questionnaire. The results of the study reveal that the customers prefer online shopping with positive frame of mind and show the important factors affecting them to shop online.

**Keywords:** Awareness, Cost Saving, Convenience, Online Shopping,

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### **I. Introduction**

Online shopping is a type of electronic commerce that allows the consumers to directly shop goods and services from a seller over the internet. The alternative names of online shopping are e-shop, e-commerce, web-store, web-shop etc. Internet becomes a great source for shoppers hoping to grow their selections of items to purchase and a useful way of saving money. Online shops are highly competitive not only with other e-shops, but also with the store shopping competitors. Price-comparison sites make deal hunting easier and also directing the customers by posting reviews which helps in making decisions. Internet offers a variety of ease to their customers like they are not required to go out for looking product details as e-stores provide them each and every detail of the product; it also eliminates the need to stroll from store to store trying to compare prices because the customer can do price and feature comparative analysis of various kinds of product at home; it is very convenient to be able to do all shopping from one spot consumer's couch; with ever-increasing gas rates, shopping through internet saves the cost of driving and parking fees; and it will also save customers' time by avoiding standing in line etc.

In online, they know the customer wants and needs, based on which they can collect and give the information with a mixture of pictures, sound and very detailed description that helps to choose the suitable product which they can buy over the internet, retail store and over the phone. Online retailing plays an important role to attract the more number of customers. It has been emerged as smart consumers' first choice with the ability to easy comparison shop, search for discounts and makes purchases with a few clicks. The rapid growth of online marketing has changed the customer shopping experience. Nowadays, everyone wants to purchase through online which gives more welfares like usefulness, accessibility, quick facilities, ease-of-use, 24/7 availability and so on. There are various e-commerce websites like Amazon, Flipkart, Jabong, Myntra, eBay, and Snapdeal etc. which offers a wide range of products for the consumers. They are attracting their customers by providing offers such as no shipping charges and free ship-to-store charges. A lot of online stores do not pass on sales tax to customers unless required by the state, which can add up to substantial savings for those shoppers who buy primarily online.

But, not only benefits, the risk is also associated with online shopping. Generally speaking internet users avoid online shopping because of credit-card fraud, non-delivery risk, lack of security, lack of guarantee of quality of goods and services. Online shoppers also face problems such as they do not have the ability to try the outfit being considered for purchase; and sometimes they lose the power to negotiate the price which may exist in local stores; etc. Therefore, it is suggesting here that the concerned authorities should formulate policies to minimize the risk involved in e-business.

### **II. Review of Literature**

Peterson et al. (1997) concluded that it is an early stage in internet development in terms of building an appropriate dedicated model of consumer buying behaviour. Decision sequences were influenced by the starting

point of the consumer, the relevant market structures and the characteristics of the product in question. Consumers' attitude towards online shopping is a prominent factor affecting actual buying behaviour.

Bhatnagar et al. (2000) Suggested that shopping online is supposed to be quite risky. Perceived risk includes feeling of uncertainty and confusion; fear of technology use and information overload, and feeling of insecurity when engaging in online transactions like credit card fraud etc. Because, technology for secure transactions (e.g. online payment) is not yet mature, security and privacy are the major issues that should be addressed satisfactorily in this medium.

Chiang and Dholakia (2003) focused on the consumer choice to shop online and at the physical stores during the information acquisition period. A convenience sample of 34 students enrolled in undergraduate marketing class to select the product for testing. 56 products were developed based on the popularity of online shopping. They found that the consumer perceives shopping offline as inconvenient, online shopping intention was expected to be greater for search products than experience product.

Perea et al (2004) revealed that the perceptions towards online shopping and intention to shop online are not only affected by ease of use, usefulness, and enjoyment, but also by exogenous factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping.

Gabriel (2007) studied online consumers' risk perceptions and a "cognitive map" of their attitudes to online risks. It was accomplished by composing a list of online hazards and activities, desired level of risk, measuring current level of perceived risk and desired level of regulation associated with them in the factor space diagram. A factor space diagram captured a graphical representation of the results of the factor analysis.

Mishra (2007) examined the demographic features of online consumers and their attitude towards online shopping behavior for clothing. This study was based on a sample of 200 internet users in NCR Delhi. The findings show that consumers have positive attitude towards online shopping but low attitude towards online purchase of clothes. He also found that city and gender difference do not affect consumers' attitude but age and income indicates a significant relationship. The issue of trust enjoys ability and trial policy seems to be major concerns for the consumers but convenience and technological advancement play a major role in online shopping.

Chaffey et al. (2009) studied that online shopping is a process where customers go through when they decide to purchase via the internet. For online shopping retailer, in order to ensure the achievement of business e-commerce, it is significant to establish customer needs and wants.

Bae and Lee (2011) they investigates the effect of online consumer reviews on consumer's purchase intention. In particular, they examine whether there are gender differences in responding to online consumer reviews. The results show that the effect of online consumer reviews on purchase intention is stronger for females than males. The negativity effect, that consumers are influenced by a negative review more than by a positive review, is also found to be more evident for females. These findings have practical implications for online sellers to guide them to effectively use online consumer reviews to engage females in online shopping.

Goyal (2014) studied online shopping is catching up in India because of many reasons. There are various studies have been conducted in different countries to explore the facilitators of online shopping and issues related to it. The study's focus was on the growth of e-retailers in India. Growth and innovations by online retailers have created tough competition for the offline players. It explores various challenges and facilitators of online shopping.

### **III. Objectives of the Study**

The objectives of the present study have been classified as under:

1. To examine the factors affecting online shopping among customers.
2. To examine the association between the demographic profile and use of online shopping.

### **IV. Research Methodology**

The data has been collected from the general public by administering the self-structured questionnaire from them. The analysis of data collected has been carried out by using descriptive and factor analysis. All this was done with the help of SPSS 22. All items were measured by responses with nominal scale and on a five-point likert scale in agreement/ relevance with statements, ranging from 1= Strongly Disagree/ Completely Irrelevant to 5= Strongly Agree/ Completely Relevant. The sample size for the present study is 100 customers of online shopping. The respondent has been selected as per convenient approach. The area of the present study is Jalandhar.

### V. Data Analysis And Interpretation

The focus of analysis is exploring the factors affecting online shopping among customers.

**Table 1: Profile of the Respondents**

<b>Gender</b>	<b>Percent</b>	<b>Marital Status</b>	<b>Percent</b>
Male	32	Single	72
Female	68	Married	28
Total	100	Total	100
<b>Age</b>	<b>Percent</b>	<b>Occupation</b>	<b>Percent</b>
Less than 20	15	Service	47
20-30	57	Student	26
30-40	23	Homemaker	18
40 and Above	05	Businessman	09
Total	100	Total	100
<b>Qualification</b>	<b>Percent</b>	<b>Income</b>	<b>Percent</b>
Undergraduate	21	Less than 10,000	14
Graduate	32	10,000 to 20,000	26
Post Graduate	43	20,000 to 30,000	28
Others	04	30,000 and above	32
Total	100	Total	100

Source: SPSS output

From table 1, it can be examined that 32 percent respondents were male and 68 percent were female. This shows that males and females were not equally represented in the sample size. More than half of the respondents with 57 percent fall into the 20 to 30 age group, with 23 percent in the less than 30 to 40 age group, 15 percent in the less than 20 age group and only 5 percent in the 40 and above age group. The demographic age profile of the study participants shows that the 20 to 30 age group is dominant. 72 percent respondents were single and 28 percent respondents were married. The occupation distribution of the respondents varied widely. The largest proportion of respondents was servicemen with 47 percent. While 26 percent were students, 18 percent were homemaker and 9 percent were businessman. The education level of the respondents varied widely. It indicates that 43 respondents have a post graduate, 32 respondents were undergraduate, 21 respondents have a graduate and rest 4 respondents have other qualification. The demographic income profile of the study respondents shows that 30,000 and above income group have 32 percent respondents. While 28 percent fall in 20,000 to 30,000 income group, 26 percent respondents have 10,000 to 20,000 income and rest 14 percent respondents fall in less than 10,000 income group.

**Table 2: Using of Online Shopping**

Particulars	Percent
Yes	86
No	14

Source: SPSS output

Table2 shows the result in response to a question aimed at how many customers are using online shopping. A total of 86 percent of the respondents use the online shopping in as in given study, whereas 14 percent of the respondents are not using this service. The major reasons for not using online shopping were that some of the customers don't feel that there is a need for them to engage in e- shopping; some of them don't feel safe and secure while doing online shopping; and some are not good at using internet service etc.

**Table 3: Total Variance Explained**

Component	Initial Eigen values		
	Total	% of Variance	Cumulative %
1	3.689	27.549	27.549
2	2.041	16.210	43.759
3	1.640	9.403	53.162
4	1.515	8.167	61.329
5	1.235	8.041	69.370

Extraction Method: Principal

Component Analysis.

Source: SPSS output

Further, to see the factors affecting customers while they do shop online, factor analysis has been used. But, before applying this technique, KMO measure of sampling adequacy has been applied to check the appropriateness of factor analysis. The value of this measure was to be found as 0.657, which indicates that sample is good enough for sampling. The result of factor analysis over 15 factors shown that there are 5 key factors, which was determined by clubbing the similar variables, which highly consider being most affecting factors for using online shopping. The table 3 shows that six factors explain 69.37 percent of the total variance. On the basis of this table, the factor extraction table 4 has been prepared which is as under:

**Table 4: Factors affecting Online Shopping**

Factors	% of Variance	Factor Interpretation	Variables included in the Factor	Loading
F1	27.549	Relative advantages of online shopping	<ul style="list-style-type: none"> <li>• Saves my time</li> <li>• Provide best quality of products</li> <li>• Provides quick information</li> <li>• I don't need to stand in a queue</li> <li>• Online shopping provide more variety of products</li> </ul>	.632 .775 .546 .771 .409
F2	16.210	Compatibility of online shopping	<ul style="list-style-type: none"> <li>• Makes my lifestyle more convenient</li> <li>• It is easy to deal with online transaction</li> <li>• Using e- shopping fits into my work style</li> <li>• Suits my lifestyle</li> </ul>	.653 .845 .742 .512
F3	9.403	Satisfaction	<ul style="list-style-type: none"> <li>• Using online shopping process is simple</li> <li>• Online shopping expand my shopping satisfaction</li> <li>• I get on-time delivery by shopping online</li> </ul>	.845 .770 .741
F4	8.167	Security concern	<ul style="list-style-type: none"> <li>• I am not afraid of disclosing personal information</li> <li>• I am not afraid of disclosing credit card and account information</li> </ul>	.454 .625
F5	8.041	Attractive	<ul style="list-style-type: none"> <li>• Online shopping provide various schemes and offers on purchases</li> </ul>	.735

Source: SPSS output

The above stated factors are in the order of degree of importance i.e. factor 1 is more important than factor 2; factor 2 is more important than factor 3 and so on. The factor 1 (relative advantages of online shopping) has 27.549 % of variance, which is the highest variance as compared to the factor 2 (compatibility of online shopping) with 16.210 % of variance, factor 3 (satisfaction) with 9.403 % of variance, factor 4 (security concern) with 8.167 % of variance and factor 5 (attractive) with 8.041 % of variance. Hence it has founded that the factors such as saves my time; provide best quality of products; provides quick information; don't need to stand in a queue; and provide more variety of products majorly influencing to use of online shopping.

## VI. Conclusion

From the above discussion it is examined that majority of the respondents are using online shopping. But, those who are not doing online shopping, they do not feel the need for using it and they are more comfortable with traditional shopping service and some of the customers don't feel secure to share their credit card or debit card details etc. In the present study five factors has been identified through factor analysis. The result of the factor analysis indicates that relative advantages of online shopping, compatibility of online

shopping, satisfaction, security concern and attractive are the important determinants among the online users to use e- shopping.

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