

## Preference of Consumer Products through e-marketing (Online shopping) in Coimbatore District

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**Abstract:** *It has been more than a decade since e-commerce first evolved. Researchers and practitioners in the electronic commerce constantly strive to obtain a better insight in consumer behaviour in cyberspace. With the development of the retail E-commerce, researchers continue to explain E-attitude of consumers of different perspectives. E-commerce is the buying and selling of the goods and services through online; internet is the best source to use this tool. Today, the amount of trade that is conducted electronically using e-commerce has increased with a wide spread usage of internet and technology. E-commerce includes transferring of funds through online, supply chain management, marketing over internet. The invention of the internet has created a new pattern of the traditional way people shop. Customers are no longer tied to the opening hours or specific locations. The Internet is relatively new medium for the communication and the exchange of information which has become present in our daily lives. The numbers of Internet users are constantly increasing, which is also significance that online purchasing is increasing rapidly. Hence, an attempt is made to study the customer perspective towards purchases of goods and services through online.*

**Key words:** E-Commerce, Cyberspace, Consumer Behaviour

### Introduction

It has been more than a decade since e-commerce first evolved. Researchers and practitioners in the electronic commerce constantly strive to obtain a better insight in consumer behaviour in cyberspace. With the development of the retail E-commerce, researchers continue to explain E-attitude of consumers of different perspectives. E-commerce is the buying and selling of the goods and services through online; internet is the best source to use this tool. Today, the amount of trade that is conducted electronically using e-commerce has increased with a wide spread usage of internet and technology. E-commerce includes transferring of funds through online, supply chain management, marketing over internet. The invention of the internet has created a new pattern of the traditional way people shop. Customers are no longer tied to the opening hours or specific locations; it may become active virtually at any time and any place to purchase products and services. The Internet is relatively new medium for the communication and the exchange of information which has become present in our daily lives. The numbers of Internet users are constantly increasing, which is also significance that online purchasing is increasing rapidly.

Alam et al. (2008)<sup>1</sup> found that website design is one of the unique features affecting online shopping environment. Whereas, another study identified web site design characteristics

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Preference of Consumer products through e-marketing (Online shopping) in Coimbatore District as the dominant factor which influences customer perceptions of online purchasing. Ho and Wu (1999)<sup>2</sup> study confirmed homepage presentation and reliability are the important factors that have most influential effect on online shopping. It can be argued that online shoppers want to receive the right quality and right quantity of items that they have ordered within the stipulated time offer by the e-tailers. It is found that varieties of products are important factors influencing e-satisfaction. Time and cost saving are the main advantages of online shopping. Time efficiency and store efficiency are reflected in time cost and price savings respectively. Electronic commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of business transactions. This is an effective and efficient way of communicating within an organization and one of the most effective and useful ways of conducting business.

### **Online Shopping**

Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-shop, e-store, Internet shop, web-shop, web-store, online store, and virtual store. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are e-Bay and Amazon.com, both based in the United States. Retail success is no longer about physical shop fronts evident by the increase of retailers now offering online store interfaces for buyers. With the growth in online shopping comes a wealth of new market footprint coverage opportunities for stores that can appropriately cater to offshore market demand and service requirements.

Coimbatore is the third largest city in Tamilnadu, with a population of more than 15 lakhs. There are more than 30,000 tiny small, medium and large industries and textile mills. The city is known for its entrepreneurship of its residents. The city is the second largest software producer in Tamil Nadu, next only to Chennai. Information Technology (IT) and Business Processing and Outsourcing (BPO) industry in the city has grown greatly with the launch of TIDEL Park and other planned IT parks in and around the city. It is ranked at 17th among the global outsourcing cities. Companies like Tata Consultancy Services, Cognizant Technology Solutions, IBM, Robert Bosch GmbH, Cameron International Corporation, Dell, and Wipro having a presence in the city. Software exports stood at 2000 Crores for the financial year 2013–14.

### **Statement of the Problem**

E-commerce has emerged as the boundary less trade medium in the era of globalization. But, the adaption and usage of e-commerce is dependent on internet users in the country. There are large numbers of people using internet and it is expected that the number of users might grow beyond 22million which will be of great boom to e-marketing. In this background, e-commerce is

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<sup>1</sup> Alam, S.S., Bakar, Z., Ismail. H. &Ahsan, N. (2008). Young customers online shopping: an empirical study. *Journal of Internet Business*, 5, 81-98.

<sup>2</sup> Ho, C. F. & Wu, W.H. 1999. Antecedents of Customer Satisfaction on the Internet: An Empirical Study of Online Shopping. *Proceedings of the 32nd Hawaii International Conference on System Sciences*, Hawaii, USA

expected to grow further and may dominate the business scenario. Hence, an attempt is made to study the customer perspective towards purchases of goods and services through online. Hence it is necessary to study

Whether the level of acceptance of online shopping has positively influenced the preference of consumers through online, whether the attitude has significant impact of product purchases through online and whether the after sales service created agreeability and faith in the minds of the consumers to prefer purchase of products through online.

### **Significance of the Study**

Consumers must be satisfied with their e-commerce shopping experience before acquiring more goods and services online. Most customers form expectation about the product vendor, service and quality of the website that they patronize before engaging in online shopping activities. It is necessary to evaluate the significant of the determinants such as acceptance, and after sales service creates attitude and make them agreeable with complete faith to prefer purchase of products by the consumers through online.

### **Hypotheses of the Study**

**H<sub>01</sub>:** There is no significant relationship between the determinants and purchase preference of products through online by consumers.

**H<sub>02</sub>:** There is no significant association between demographics of the respondents and agreeability on online shopping decision

### **Objectives of the Study**

- To evaluate the demographic profile of the consumers involved in online shopping.
- To analyze the determinants influencing the preference of consumers towards purchase products through online.
- To find the relationship between the personal variables and agreeability towards online shopping
- To contribute valuable suggestions.

### **Hypotheses of the Proposed Model**

**H<sub>1</sub>:** Acceptance of online shopping has positive significant impact on preference of product purchase by consumers through online

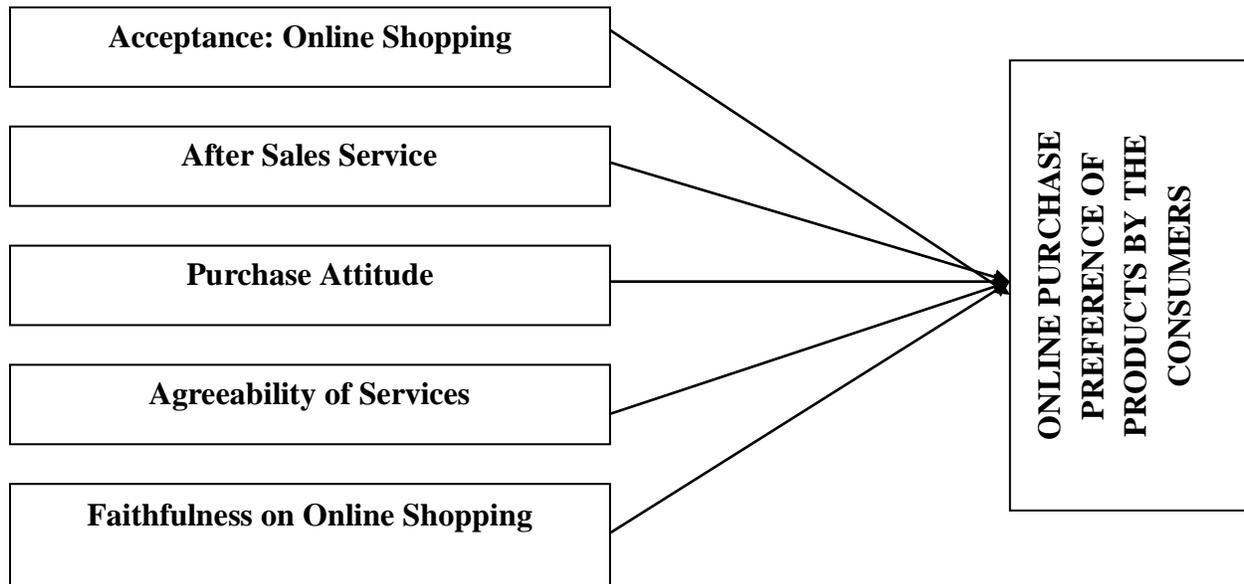
**H<sub>2</sub>:** After Sales Service has positive significant impact on preference of product purchase by consumers through online

**H<sub>3</sub>:** Purchase Attitude has positive significant impact on preference of product purchase by consumers through online

**H<sub>4</sub>:** Agreeability has positive significant impact on preference of product purchase by consumers through online

**H<sub>5</sub>:** Faithfulness has positive significant impact on preference of product purchase by consumers through online

**Fig.1: Proposed Model of Online Purchase Preference  
DETERMINANTS LEADING TO ONLINE PURCHASE PREFERENCE**



### **Scope of the Study**

The purpose of this study is to analyse the preference of the consumers towards purchase of products through online, which includes a thorough analysis of assessing the level of acceptance of the consumers before purchase, level of attitude and satisfaction towards after sales service, agreeability with online shopping, complete faith before purchase and finally, preference of products purchases through online. The outcome of this study will be immensely helpful to the product promoters through E-Marketing in understanding the necessity of services that the brand ambassadors like, Amazon, Flipcart, etc. are providing to the consumers during their online shopping, adapting proper policy implications to serve the online shoppers through consumer specific marketing strategies to improve their online shopping business.

### **Demographics**

The study conducted to analyse the awareness and perspectives on the functionalities of e-marketing (online-shopping) influencing the demographics of the respondents. The demographics are classified viz. Age, Gender, Educational Qualification, Occupation, Marital Status, Type of Family, Size of the Family and finally, monthly family income of the respondents are considered for the study is elaborated in the following table.

### **Methodology**

The researcher used descriptive type of research. Descriptive research includes surveys and fact finding inquiries of different kind. In this study the research is analyzing the consumer's preference towards E-Marketing Services in Coimbatore district. The respondents actively involved in online shopping are particularly taken for the study. Considering the consumers preference towards shopping of products through online were selected randomly covering all the geographically locations in all directions viz. east, west, north and south. The sample size of this study consists of 500 respondents. The researcher used convenient sampling method for primary data collection. Primary data are collected from 500 sample respondents with the help of well-

structured questionnaire, which was pre-tested before distributing the instrument for data collection the primary data are supplemented by spat of secondary sources of data. The secondary sources being the published research and general articles collected from various journals, books and internet etc. For analyzing the data, the researcher transformed the data into Master Table and calculations were done using Percentage analysis, Chi-Square Test and Structural Equation Modeling.

### **Limitations of the Study**

The study is confined to Coimbatore City limits only and therefore findings may not be related to other areas. The survey includes all the limitations inherent in the questionnaire.

### **Results and Discussion**

The study has been conducted taking the demographic profile in the first stage, followed by Structural Equation Modeling that reveals the determinants influencing the preference of consumers during their online purchase and finally, the association between demographic profile and agreeability towards product purchase.

### **Demographics of the Consumers**

The demographics of the consumers are classified based on their age, sex, educational qualification, occupational status, marital status, type of family, size of family and finally, monthly family income are presented in the table 1.

It is observed that half (50%) of the respondents are male and another 50% of the respondents are female. Half (50%) of the respondents belong to the age less than 25 years, 48% of the respondents belong to the age between 25 and 40 years and the remaining 2% of the respondents belong to the age from 40 to 55 years. Less than half (45%) of the respondents are professionally qualified, while 38% of the respondents have completed their college level, 13% of the respondents have qualified upto school level, 3% of the respondents have other qualifications and the remaining 1% of the respondents do not have any formal education. Half (50%) of the respondents are engaged in Agriculture, while 24% of the respondents are having other occupations, 22% of the respondents are professionals and the remaining 4% of the respondents are salaried people. Most (61%) of the respondents are unmarried and 39% of the respondents are married. Majority (38%) of the respondents are living in nuclear type of family and 32% of the respondents are living in joint type of family. Most (59%) of the respondents are having two members in their family, 21% of the respondents are having three members in their family, 15% of the respondents are having only one person in their family and the remaining 5% of the respondents are having above four members in their family. Most (59%) of the respondents monthly family income is between Rs.15000 and 30000, while 21% of the respondents monthly family income is from Rs.30000 to 45000, 15% of the respondents monthly family income is below Rs.15000 and the remaining 5% of the respondents monthly family income is above Rs.45000.

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**Table 1: Demographics Pertaining to the Awareness and Perspectives of E-Marketing**

Sl. No.	Demographics	Frequency : 500	Percentage (100%)
<b>1.</b>	<b>Age</b>		
	Less than 25 yrs	250	50.0
	25-40 yrs	240	48.0
	40-55 yrs	10	2.0
<b>2.</b>	<b>Gender</b>		
	Male	250	50.0
	Female	250	50.0
<b>3.</b>	<b>Education</b>		
	No formal education	5	1.0
	School level	65	13.0
	College level	190	38.0
	Professional qualification	225	45.0
	Others	15	3.0
<b>4.</b>	<b>Occupation</b>		
	Agriculture	0	0.0
	Salaried	250	50.0
	Business	20	4.0
	Professionals	110	22.0
	Others	120	24.0
<b>5.</b>	<b>Marital Status</b>		
	Married	195	39.0
	Single	305	61.0
<b>6.</b>	<b>Type of Family</b>		
	Nuclear	340	68.0
	Joint	160	32.0
<b>7.</b>	<b>Size of the Family</b>		
	One	75	15.0
	Two	295	59.0
	Three	105	21.0
	Four & above	25	5.0
<b>8.</b>	<b>Monthly Family Income</b>		
	Below Rs.15000	75	15.0
	Rs.15000-30000	295	59.0
	Rs.30000-45000	105	21.0
	Rs.45000 & above	25	5.0

Source: Primary Data

**Structural Equation Modelling (SEM)**

Structural Equation Modeling provides a convenient framework for statistical analysis that includes several traditional multivariate procedures, for example factor analysis, regression analysis, discriminant analysis, and canonical correlation, as special cases. Structural equation models are often visualized by a graphical path diagram. The statistical model is usually represented in a set of matrix equations.

Structural Equation Modeling has its roots in path analysis, which was invented by the geneticist Sewall Wright (Wright, 1921). It is still customary to start a SEM analysis by drawing a path diagram. A path diagram consists of boxes and circles, which are connected by arrows. In Wright’s notation, observed (or measured) variables are represented by a rectangle box, and latent (or unmeasured) factors by a circle or ellipse or square box. Single headed arrows or ‘paths’ are used to define causal relationships in the model, with the variable at the tail of the

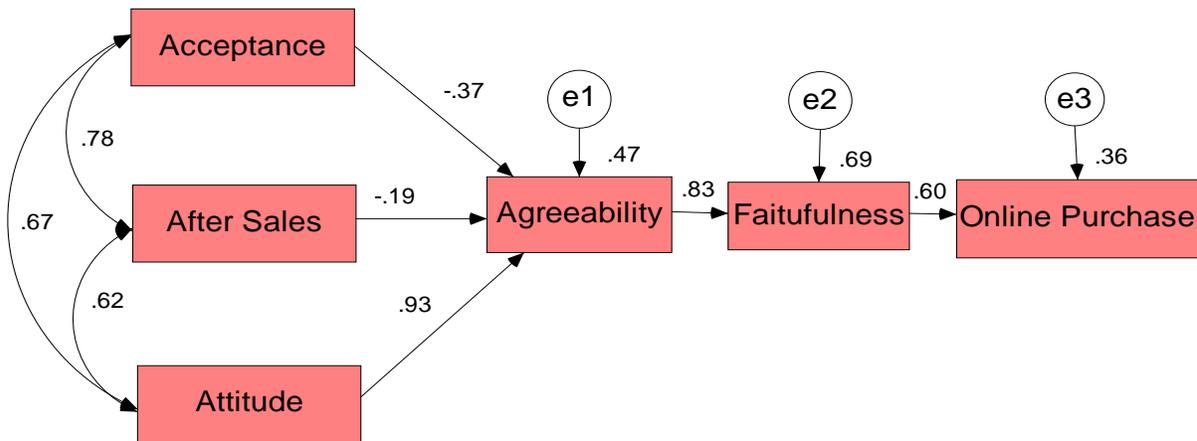
arrow causing the variable at the point. Double headed arrows indicate covariances or correlations, without a causal interpretation. Statistically, the single headed arrows or paths represent regression coefficients, and double-headed arrows covariances. Extensions of this notation have been developed to represent variances and means (cf. McArdle, 1996).

**Determinants and Purchase of Product through Online**

**H<sub>01</sub>:** There is no significant relationship between the determinants and purchase preference of products through online by consumers.

To conduct the analysis using structural equation modeling (SEM) the exogenous variables considered are acceptance, after sales service and attitude that has been compared to find the relationship with endogenous in the first level is Agreeability and the second level is Faithfulness and finally, the preference of consumers towards purchase of products through online are considered.

**Model Showing Purchase of Product through Online With the Determinants Contributing Towards Preference**



**Table: 2 Regression Weights: (Group number 1 - Default model)**

			Estimate	S.E.	C.R.	P
Agreeability	<---	Attitude	1.262	.061	20.827	***
Agreeability	<---	Acceptance	-.813	.125	-6.520	***
Agreeability	<---	After_sale	-.284	.079	-3.605	***
Faithfulness	<---	Agreeability	.917	.028	33.087	***
Purchase	<---	Faithfulness	.063	.004	16.786	***

The probability of getting a CR=20.827 in absolute value is less than 0.001. The regression weight of attitude in the prediction of agreeability is significant at 1% level. Followed by the acceptance in the prediction of agreeability (CR=6.520) is less than 0.005 and is significant at 1% level. While, the after sales service in the prediction of agreeability (CR=3.605) is less than 0.005 and is significant at 1% level. When considering the agreeability in the prediction of faithfulness (CR=33.087) is less than 0.005 is significant at 1% level. Finally, the faithfulness in the prediction of online purchase of products (CR=0.16.786) preferred by the consumers is less than 0.005 is significant at 1% level. Hence, it is concluded that, the

Preference of Consumer products through e-marketing (Online shopping) in Coimbatore District Acceptance, Attitude and After Sales Service has definitely influenced the consumers **agreeability** towards preference of products that has significant impact in the faith of the consumers made them purchase online.

**Table: 3 Covariances: (Group number 1 - Default model)**

			Estimate	S.E.	C.R.	P
Acceptance	<-->	Attitude	17.783	1.431	12.426	***
Acceptance	<-->	After_sale	18.995	1.381	13.750	***
Attitude	<-->	After_sale	24.966	2.111	11.828	***

It is clear that there is significant covariance between attitude and acceptance (CR=12.426, Sig.0.000), followed by, After Sales Service and Acceptance (CR=13.750, Sig. 0.000) and finally, After Sales Services and Attitude (CR=11.828, Sig.0.000) is significant at 1% levels and hence, it is concluded that all the exogenous variables significantly contributes in the purchase preference of products through online. The statistical significance of the model and its fitness index are as follows:

**Table: 4 CMIN**

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	14	30.624	7	.000	4.375
Saturated model	21	.000	0		
Independence model	6	1942.996	15	.000	129.533

CMIN is a chi-square statistics comparing the default model and the independence model with the saturated model. The above table infers that the default model has been associated as 4.37 percent with saturated model and other side, the independence model has been associated as 129.533 percent with saturated model.

### **RMR, GFI**

The Root Mean Square residual is the mean absolute value of the covariance residuals, which reflect the difference between observed and model-estimated covariance. Specifically, RMR is the co-efficient which results from taking the square root of the mean of the squared residuals. The closer is RMR is to 0, the better the model fit. The GFI is the goodness-of-fit index and is equal to 1-(chi-square for the default model / chi-square for the null model).

**Table: 5 RMR, GFI**

Model	RMR	GFI	AGFI	PGFI
Default model	.901	.980	.941	.327
Saturated model	.000	1.000		
Independence model	20.836	.459	.243	.328

From the above table it is indicated that the model is good fit by the influence of RMR value which is less than one, i.e., 0.901. GFI (Goodness of Fit Index) refers to 98.0 percent has been fitted in Default model for the proportion of variance-covariance matrix. On the other hand, 45.9 percent fit in Independence model.

**Baseline Comparisons**

The NFI, normed fit index, also known as ( $\Delta_1$ ), was developed as the alternative to CFI, comparative fit index, is also known as the Bentler Comparative Fit Index, compares the existing model fit with the null model which assumes the latent variables correlates with the independent variables.

**Table: 6 Baseline Comparisons**

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.984	.966	.988	.974	.988
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

From the above table, it is noted that the model fit indices are good fit with the evidence of NFI (0.984) and CFI (0.988) which is closer to 1 level.

**RMSEA**

Root Mean Square Error of Approximation is the popular measure of fit, because it does not require comparison with the null model. It is one of the fit indexes less affected by sample size. There is good model fit if RMSEA less than or equal to 0.05.

**Table: 7 RMSEA**

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.082	.054	.113	.032
Independence model	.508	.489	.527	.000

It could be noted from the above table that the RMSEA value is 0.082 which is more than 0.05 and the model resulted as moderate fit.

**Association between Personal Characters and Agreeability on Online Shopping Decision**

**H<sub>02</sub>:** There is no significant association between demographics of the respondents and agreeability on online shopping decision

**Table: 8 Demographic Profiles and Overall Mean Agreeability on Online Shopping Decision**

S.no	Demographic Profile	X <sup>2</sup> -Cal	X <sup>2</sup> -Tab	DF	Sig
1	Gen-x1	8.020	5.991	2	.
2	Age-x2	11.326	9.488	4	*
3	Educ-x3	25.419	15.507	8	**
4	Occup-x4	51.350	12.592	6	**
5	Marital status-x5	7.297	5.991	2	*
6	Type of family-x6	14.362	5.991	2	**
S.no	Demographic Profile	X <sup>2</sup> -Cal	X <sup>2</sup> -Tab	DF	Sig
7	Family size-x7	13.620	9.488	4	**
8	No of children-x8	30.499	12.592	6	**
9	No of Earners-x9	22.690	12.592	6	**
10	Family income-x10	55.179	12.592	6	**

\*\* - Significant at 1 % level

\* - Significant at 5 % level

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To study whether there is significant association between personal characteristics of the respondents with the agreeability score on online shopping decision, Chi-square tests of independence were performed and the results are furnished in the table 8.

It is seen from the above table that there is significant association between the demographic profiles of the respondents and agreeability score on online shopping decision towards brand trust barring age and marital status among the respondents.

### Summary of Results and Conclusion

- It is found that half of the respondents are male. Half of the respondents belong to the age less than 25 years. Less than half of the respondents are professionally qualified. Half of the respondents are engaged in Agriculture. Most of the respondents are unmarried. Majority of the respondents are living in nuclear type of family. Most of the respondents are having two members in their family and finally, most of the respondents monthly family income is between Rs.15000 and 30000
- It is evident that, the Acceptance, Attitude and After Sales Service has definitely influenced the consumers agreeability towards preference of products that has significant impact in the faith of the consumers made them purchase online. It is also clear that all the exogenous variables significantly contribute in the purchase preference of products through online.
- There is significant association between the demographic profiles of the respondents and agreeability score on online shopping decision.

### Recommendations and Conclusion

Faith and Agreeability and attitude were found to be highly contributing factors of the consumer's online shopping preferences. Hence, to induce more faith in the minds of the online shoppers the level of acceptance towards providing quality, reliability of the product and back-up for the supplied product i.e. after sales service will help to enhance the online shopping market that will benefit the online companies to achieve greater heights.

The study is conducted taking into consideration only the online shoppers and hence it is limited only with very few respondents in the study area. A further research will help to understand the reasons behind the poor involvement among majority of the public and purposive avoidance of online shopping and only opt for direct shopping. It is recommended that, if the online shopping companies can identify the issues expressed by the online shoppers and non-shoppers, also ensure the customers that E-marketing services are absolutely risk free by reposing faith in the existing consumers will help to add-in more customers in their domains to achieve more profits.

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