

Factors Motivating the Consumers towards the Online Shopping in Coimbatore

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Abstract: *In the globalised era, internet plays a very vital role for communication as well as business convenience. The estimate includes companies across online travel, e-retailing, classifieds and online financial services. The estimate would mean an over 11 times growth from \$4 billion estimated for 2014, the report titled 'Fast and furious: Just the beginning of multi-year explosive growth' said. "On a low base, multiple enablers of this explosive growth include increase in the number of internet users, increase in the proportion of online shoppers within those users, growth in the per-shopper transaction value, and continued flow of capital by willing investors, arming firms with ammunition to woo consumers online," the report said. According to estimates, India added around five million internet users to its base of 213 million, driven by a rapid growth in smart phones. While so far, travel has dominated the online shopping space with a CAGR of 32 per cent between 2009 and 2013, the report said that going forward e-retailers would drive growth, with expected CAGR of over 60 per cent to \$7 billion in 2016 from \$1.7 billion in 2013. The present paper is to identify the most influential factors of consumers to influence the online shopping in Coimbatore. The data has been collected from 600 respondents through structured questionnaires. The study found that five important factors namely Variety of products and offers, challenges of online shopping, Multiple payment options, Trustworthiness and convenience to influence consumers to prefer the online shopping in Coimbatore.*

Introduction

In the globalised era, internet plays a very vital role for communication as well as business convenience. In India nearly 74 million peoples using Internet services. India has by passed Japan to become the third largest Internet user in the world. with a mounting number of households rotating towards the Internet and the world of e-commerce to shop, investments, make payments, booking of train and air tickets, hotel rooms booking, and do online banking , new technological advancements will have to come about to make these transactions protected. With internet users in India growing rapidly and investors willing to fund companies in the internet space, brokerage firm Motilal Oswal Securities on Wednesday said it expects online shopping of physical goods in the country to grow at a compounded annual growth rate (CAGR) of 50 per cent over the next six years and touch \$45 billion by 2020. The estimate includes companies across online travel, e-retailing, classifieds and online financial services. The estimate would mean an over 11 times growth from \$4 billion estimated for 2014, the report titled 'Fast and furious: Just the beginning of multi-year explosive growth' said."On a low base, multiple enablers of this explosive growth include increase in the number of internet users, increase in the proportion of online shoppers within those users, growth in the per-shopper transaction value,

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and continued flow of capital by willing investors, arming firms with ammunition to woo consumers online," the report said. According to estimates, India added around five million internet users to its base of 213 million in 2013, driven by a rapid growth in smart phones. While so far, travel has dominated the online shopping space with a CAGR of 32 per cent between 2009 and 2013, the report said that going forward e-retailers would drive growth, with expected CAGR of over 60 per cent to \$7 billion in 2016 from \$1.7 billion in 2013. Within the e-retail segment, the report said fashion would be the driving segment, which was at \$559 million in 2013 and is estimated to be between \$3 billion-\$6 billion by 2016. The online shopping encourages consumers because of reasonable price and convenience. The products purchased without leaving the customer place. The online shopping always offering the good deals, but also brings optimum convenience to consumers. Moreover, internet shoppers provide adequate level price comparison of products for consumer's final decision. On the contrary, privacy and security have been the great concerns, encouraging many people to browse the internet for informational matters than for buying online. Therefore, the present study has been undertaken to find the factors motivating the consumers towards the online shopping in Coimbatore.

Literature review

Kotler and Armstrong (2000) pointed out that a person's buying choice is further influenced by four key psychological factors of Motivation, Perception, Learning and beliefs and Attitude. In most of the families, women are the chief decision makers (Dholakia, 1999). Men are more motivated toward utilitarian benefits of products and give lesser importance to social relations and personal contacts (Steenkamp et al., 1999). Younger generation has always exhibited a positive disposition towards adoption of new innovation (Schiffman and Kanuk, 2003) and understands the technological changes and complexities optimistically than the elderly segment (Wotruba and Pribova, 1995). Govinder and Zhaobin (2005) found that website design, website reliability/ fulfillment, website customer service and website security/ privacy are the four dominant factors which influence consumer perception of online purchasing. Shahir Bhatt and Amola Bhatt (2010) found that ease/Attractiveness of website, service quality of website and web security are the dominant factors which influence consumer perceptions regarding their online purchasing experience.

Objective of the Study

The ultimate objective of the present study is to find out the factors motivating the consumers towards the online shopping in Coimbatore.

Research Methodology

The present study is empirical in nature based on both primary and secondary data. The data was collected through a structured questionnaire. The study has been conducted in Coimbatore. The sampling technique used was non-probability based convenient sampling. The study was carried out on 600 respondents. The data was collected from respondents personally and via emails in the month of September 2014 to February 2015. The questionnaire was pre-tested and the reliability was worked out on 60 respondents who had knowledge of online purchasing, and the Cronbach's alpha achieved was 0.718. For this study, 15 statements have been framed, respondents were asked for factors influencing the consumers to prefer an online shopping on a five-point scale ranging from "Strongly agree" to strongly disagree". The data has been analyzed

Multivariate like factors analysis tool adopted to find out the results with the help of SPSS version 20.0 statistical package.

Table 1: Characteristics of Respondents

Gender	Frequency	Percentage
Male	408	68.00
Female	192	32.00
Total	600	100.0
Age		
Below 25 years	180	30.00
26 – 35 years	228	38.00
36 – 45 years	120	20.00
Above 46 years	72	12.00
Total	600	100.0
Educational Qualification		
Up to HSC	116	19.30
UG	233	38.80
PG	182	30.30
Professional	69	11.50
Total	600	100.0
Occupation		
Professional	102	11.50
Salaried	326	54.33
Businessman	172	28.67
Total	600	100
Monthly Income		
Below Rs.20,000	181	30.20
Rs.20,001 –Rs.40,000	228	38.00
Rs.40,001 – Rs.60,000	117	19.50
Above Rs.60,001	74	12.30
Total	600	100.0

Source: Computed data

Results and Discussions

Table 1 highlights that Characteristic of the respondents. The total numbers of the respondents were 600, out of which 408 (68%) were male and 192 (32%) were females. Majority 228(38%) were in the age group of 26-35 years, followed by 180 (30%) were in the age group of up to 25 years, 120 (20%) in the group of 36-45 years and 72 (12%) in the age group of above 46 years. In connection with educational qualification of respondents, 233 (38.80%) of respondents were under graduates, 182 (30.30%) respondents were post graduates, 116 (19.30%) respondents were up to HSC qualified and 69(11.50%) respondents were professionals. Occupations wise, 326 (54.33%) of respondents were salaried, 172 (28.67%) respondents were business and 102 (17%) of the respondents were professionals. Total monthly income wise, majority 228 (38%) of the respondents were in the income group of Rs.20, 001 – 40,000, 181 (30.20%) of the respondents were in the income group of below Rs.20, 000, 117 (19.50%) were in the income group of Rs.40, 001 -60,000 and 74 (12.30%) of the respondents were earning more than Rs.60, 000 per month.

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Factors Influencing the Consumers towards the Online Shopping

The primary objective of the study is the most influential factors of consumers towards the online shopping in Coimbatore. The variables of those factors are responded by the respondents in Likerts 5 point scale. There are huge numbers of factors were identified for online shopping. So, it is forced to analyze the situation for the data reduction. Therefore factor analysis and principal component methods are applied and the variables are reduced into predominant factors. Factors influence the consumers towards the online shopping are identified through 15 variables in Likerts 5 point scale. The factor analysis is applied on these 15 variables and the following results are obtained.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.741
Bartlett's Test of Sphericity	Approx. Chi-Square	860.308
	df	105
	Sig.	0.000

Source: Computed data

It is observed that KMO measure of sampling adequacy is 0.741 (Table 2). Bartlett's Test Sphericity, Chi-Square value is 860.308 are statistically significant at 5% level. This shows that the sample size is adequate to reduce the 15 variables into major factors with considerable amount of variance.

Table 3: Communalities for factors influence the consumers towards the online shopping

Variables	Statement	Initial	Extraction
1	I like to purchase the products through online because of very attractive discounts available	1.000	0.448
2	It is a simple process to buy the products online rather than shopping at outlets	1.000	0.548
3	Online shopping gives you enormous option to decide the products from website	1.000	0.508
4	It is a simple process to pay online through credit card , debit card and direct bank account transfer	1.000	0.665
5	I trust the products offered by online is quality	1.000	0.426
6	I believe the products offered through online is economical prices	1.000	0.608
7	I felt that an online purchase saves my time.	1.000	0.343
8	At the time of online payment I am tad concerned about the security and privacy	1.000	0.475
9	I prefer only selected products on discounts through online purchase	1.000	0.517
10	Do you feel any shipping delays in getting the product at the time of shopping through online purchase	1.000	0.436
11	I don't have the credit card so I cannot often shop online	1.000	0.677
12	I prefer to purchase online due to easement of online buying procedures	1.000	0.607
13	I physically need to check the products before purchasing it	1.000	0.515
14	I can read the reviews also before purchasing online which helps me to select the accurate product at cheap prices	1.000	0.345
15	Defective products will be replaced without any conditions	1.000	0.422

Extraction Method: Principal component Analysis

Source: Primary data

Table 3 reveals that communalities for factors influence the consumers towards the online shopping in Coimbatore. The variance ranges from 0.343 to 0.677. It implied 15 variables exhibited the variations from 34.3% to 67.7%. This is statistically significant for derivation of factors.

Table 4: Total Variance Table for factors influencing the consumers towards online shopping

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.699	17.995	17.995	2.614	17.425	17.425
2	1.473	9.819	27.814	1.367	9.116	26.541
3	1.234	8.226	36.040	1.288	8.589	35.129
4	1.071	7.140	43.181	1.144	7.629	42.759
5	1.064	7.090	50.271	1.127	7.512	50.271
6	.997	6.647	56.918			
7	.953	6.355	63.274			
8	.903	6.019	69.293			
9	.808	5.386	74.679			
10	.771	5.137	79.815			
11	.702	4.678	84.494			
12	.653	4.356	88.849			
13	.624	4.158	93.007			
14	.544	3.624	96.631			
15	.505	3.369	100.000			

Extraction Method: Principal Component Analysis

Source: Primary data

It is observed from Table 4, there are 15 variables are reduced into five predominant factors with individual variances (17.995, 9.819, 8.226, 7.140 and 7.090). The five factors are represented by the considerable number of underlying variables.

From the Table 5, it is found that the first factor comprises of six variables. I like to purchase the products through online because of very attractive discounts available (0.689), At the time of online payment I am tad concerned about the security and privacy (0.684),I prefer only selected products on discounts through online purchase (0.680),I physically need to check the products before purchasing it (0.669),Online shopping gives you enormous option to decide the products from website (0.625),I felt that an online purchase saves my time. (0.565). It is named as “Variety of products and offers .It is most significant factor with 17.425% out of total variance explained. Most of the consumers are in Coimbatore to prefer the online shopping because of variety of products and attractive offers.

The second factor comprises of three variables: Shipping delays in getting the product at the time of shopping through online purchase (0.636), it is a simple process to buy the products online rather than shopping at outlets (0.629), Defective products will be replaced without any conditions (0.540) which is called as “challenges of online shopping”. It is the second most significant factor with 9.116% out of total variance explained. The consumers had any problem

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at the time of shopping through online websites resolve the problem immediately without any conditions. So, the customers have a confidence of online shopping.

Table 5: Rotated Component Matrix for factors influence the consumers towards the online shopping

	Component				
	1	2	3	4	5
V 1	0.689				
V 8	0.684				
V 9	0.680				
V 13	0.669				
V 3	0.625				
V 7	0.565				
V10		0.636			
V2		0.629			
V 15		0.540			
V 4			0.772		
V6			0.746		
V 11				0.795	
V 5				0.549	
V 12					0.759
V 14					0.446

Extraction Method: Principal Component Analysis

Method: Varimax with Kaiser Normalization a Rotation converged in 8 iterations

Source: Primary data

The third factor comprises two variables namely It is a simple process to pay online through credit card, debit card and direct bank account transfer (0.772), I believe the products offered through online is economical prices (0.746) . It can be interpreted as “Multiple payment options”. It is the third most significant factor with 8.589% out of total variance explained. The customers had the multiple payment option available at the time of shopping through online. And customers also felt that providing the information about credit card, debit card and banking information is safe and secure.

The fourth factor comprises two variables namely I don't have the credit card so I cannot often shop online (0.795), I trust the products offered by online is quality (0.549). It can be called as Trustworthiness. It is the fourth most significant factor with 7.629% out of total variance explained. The customers are trust the products offered through online is good quality.

The fifth factor comprises two variables: I prefer to purchase online due to easement of online buying procedures (0.759), I can read the reviews also before purchasing online which helps me to select the accurate product at cheap prices (0.446). It can be named as Convenience. The customers are encouraging the online shopping because of convenience and flexibility.

Findings

The present study is conducted to examine the factors influencing the customers to prefer online shopping in Coimbatore. The major findings of the study are listed below:

- In gender wise 408(68%) were male and 192(32%) were females.

- Majority 228(38%) were in the age group of 26-35 years, followed by 180(30%) were in the age group of up to 25 years, 120(20%) in the group of 36-45 years and 72(12%) in the age group of above 46 years.
- In connection with educational qualification of respondents, 233(38.80%) of respondents were under graduates, 182(30.30%) respondents were post graduates, 116(19.30%) respondents were up to HSC qualified and 69(11.50%) respondents were professionals.
- Occupations wise, 326(54.33%) of respondents were salaried, 172(28.67%) respondents were business and 102(17%) of the respondents were professionals.
- Total monthly income wise, majority 228(38%) of the respondents were in the income group of Rs.20, 001 – 40,000, 181(30.20%) of the respondents were in the income group of below Rs.20, 000, 117(19.50%) were in the income group of Rs.40, 001 -60,000 and 74(12.30%) of the respondents were earning more than Rs.60, 000 per month.
- It is inferred from the study there are 15 variables are reduced into 5 predominant factors with individual variances (17.425, 9.116, 8.589, 7.629, and 7.512).
- The five factors has been named as F1 “Variety of products and offers”, F2 “challenges of online shopping”, F3 “Multiple payment options” F4 “Trustworthiness” F5 “Convenience”.

Conclusion

In spite of increase inflation and decline in demand for goods and services but e-commerce continued to gather steam in the year 2013. It moved strongly ahead, finding great acceptance among the consumers as they turned to online portals for purchasing the products and using services. However, as the online market becomes competitive, differentiation needs to become an integral part of operations. For achieving this, e-business needs to know the underlying factors of consumer satisfaction in online shopping experience. The present study found that five important factors namely Variety of products and offers, challenges of online shopping, Multiple payment options, Trustworthiness and convenience to influence consumers to prefer the online shopping in Coimbatore.

Limitations of the study

The study was conducted based on the data acquired from the respondents of Coimbatore only, and the finding may not be applicable to other countries of the world because of socio cultural differences.

Authors' Note

This manuscript is the authors' original work, has not been published and is not under consideration for publication elsewhere.

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