

Customer's Perception towards Online Shopping in Kadapa District

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Abstract: *The Internet has become an essential part of our daily life, and companies realize that the internet can be a shopping channel to reach existing and potential consumers. Internet marketing is the modern way of marketing a product or service to the targeted market around the world. This paper is an attempt to analyze customer's perception towards online shopping. Convenience sampling technique was used to collect data. Data was analyzed through simple percentage method. The major finding of the study is that customer's perception is positive towards online shopping.*

Introduction

In the era of information and with the wonderful expansion of the internet, various businesses have globalized their sales and marketing efforts for their products and services all through the internet. Online shopping is the process of buying goods and services from merchants who sell on the Internet. Since the emergence of the World Wide Web, merchants have sought to sell their products to people who surf the Internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer. Consumers buy a variety of items from online stores. In fact, people can purchase just about anything from companies that provide their products online.

Online shopping allows you to browse through endless possibilities, and even offers merchandise that's unavailable in stores. If you're searching for a niche product that may not be distributed locally, you're sure to find what you're looking for on the internet. What's even more useful is the ability to compare items, similar or not, online. You can search through multiple stores at the same time, comparing material quality, sizes and pricing simultaneously. Shopping via the internet eliminates the need to sift through a store's products with potential buys like pants, shirts, belts and shoes all slung over one arm. Online shopping also eliminates the catchy, yet irritating music, as well as the hundreds, if not thousands, of other like-minded individuals who seem to have decided to shop on the same day.

One of the best ways to raise the service level is by knowing the customers perceptions (Zemke, Woods 1998, 273).^[1] Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world.^[2]

Perception can have various meanings but in marketing, it is often described as a process by which a consumer identifies, organizes, and interprets information to create meaning. A consumer will selectively perceive what they will ultimately classify as their needs and wants. Perception is a psychological variable involved in the purchase decision process that is known to influence consumer behavior.

Significance of the Study

Due to the availability of convenience in online shopping, the customers are getting attracted toward the modern method of shopping. From the literature review it has been found that till now no research has been done in this field in Kadapa district. Thus, in the light of this

background, the research has been made with an attempt to evaluate the customer's perception towards online shopping of Kadapa district.

Review of Literature

Chuleeporn Changchit (2006)^[3] found that five factors which perceived differently between online shoppers and offline shoppers were: 1. perceived risk with online shopping, 2. past experience with online shopping, 3. perceived benefits of online shopping, 4. perceived ease of online shopping and 5. perceived uncertainty of online shopping. The results indicated that consumers who had positive experiences with online shopping, perceived more benefits on online shopping, and those that perceived that online shopping to be easier were likely to shop online. The consumers, who perceived a higher risk and higher uncertainty with online shopping, preferred shopping at a physical store.

Yu-Je Lee, Ching-Lin Huang, Lung-Yu Chang and Ching-Yaw Chen (2009)^[4] found that shopping experience was the most important and product perception was next; perceived risk was the third and service quality was the least important. Ensuring enjoyable shopping experience, providing lower price and intact books of various sorts and early delivery could have much influence on consumer purchase intention. In order to induce consumers to buy, the online bookstore should offer proper pricing and big discount rate. Offering customers a convenient environment to shop, keeping consistent service overtime and offering interesting and entertaining service could increase customer's purchase intention. Quick responding to customer's inquiry, reliable transaction processing, offering costumed service and offering better assurance service all could increase customer's intention to purchase online.

Suresh A.M. and Shashikala R. (2011)^[5] found that six components of consumer perceived risk namely monetary, performance, time, source, social and psychological had significant impact on online shopping. There was a dominance of money related risks where lack of protection for credit card information was treated as greater concern. Monetary and performance risks had highest impact on online shopping and social and psychological risks had the lowest impact. Warranties made a positive difference for online retailers with strong reputation with respect to perceived risk. Satisfied customer endorsements were also found to increase consumer's trust about online store. This, in turn, influenced positive attitudes toward the store and willingness to buy from the store.

Vagelis Saprikis, Adamantia Chouliara and Maro Vlachopoulou (2010)^[6] studied that adopters were mainly men and non-adopters were females and high percentage of graduate students were using the internet in order to purchase online. The study found the main reasons for adopters using the online stores were the lower prices, the easement of online buying procedures, the wide variety of available products and that of non-adopters were security and privacy concerns, their need to physically examine the products, their preference to purchase from brick-and-mortar stores and not using credit cards for payments. The study also found the consumer's general expectations, perceptions relating to privacy policy and online shopping risk, advantages and problems of online shopping that influenced the consumer's buying behavior.

T. Ramayah and Joshua Ignatius (2005)^[7] found that perceived ease of use and perceived enjoyment were positively related to intention to shop online whereas perceived usefulness was not significantly related to intention to shop online. The perceived ease of use was found to be a significant predictor of perceived usefulness. This showed that ease of use and enjoyment were the two main drivers of intention to shop online. Online purchases were believed to be more

common in familiar products, while shoppers still prefer conventional means for apparels and household items. The ease of use of the technology and the degree in which the shopper was satisfied with the online shopping experience were imperative in predicting the potential e-shopper's intent. Perceived ease of use was found to be most important for perceived usefulness and intention to shop online.

Syuhaily Osman, Benjamin Chan Yin-Fah and Bei Hooi-Choo (2010)^[8] found that majority of respondents had moderate level of purchase perception and website quality toward online purchasing. Purchasing perception and website quality were significantly related with attitude towards online purchasing behavior. Age had no significant relationship with attitude towards online purchasing behavior. There was a significant difference in attitude towards online purchasing behavior by gender and education background. Many people had purchased online and most of them were in beginner level. More than half of the respondents agreed that online purchasing easy for them to observe other shopping over the World Wide Web and allowed them to do their shopping more quickly. They often purchased at the website which could provide them more information of product and selection and assured them of safety and easy of navigation and order.

Ellen Garbarina and Michal Strahilevitz (2004)^[9] controlled for Internet usage in examining how gender influenced both the perceptions of the risks associated with shopping online and the effectiveness of recommendations from friends in reducing perceived risk. When controlling for Internet usage, compared to men, women perceived more risk to buying online both in terms of probability and in terms of likelihood. Women perceived more severe consequences to loss of privacy than men. A site recommended by a friend led to both a greater reduction in perceived risk and a stronger increase in willingness to buy online among women than among men. Women spend a greater portion of their time online using e-mail to stay in touch with others than men.

Lim Ying San, Wong Wan Jun, Tan Nya Ling and Ng Tuan Hock (2010)^[10] examined the relationship between reliability/prompt responses, attentiveness, perceived ease of use, access and security toward perceived online service quality. Reliable/prompt responses, ease of use and access had significant impact on customer's perceived online shopping service quality. There was a relationship between customer's perceived online shopping service quality and online customer's satisfaction. The results showed that there was no relationship between security and attentiveness and perceived service quality.

Mohd Layaq Ahamad and Shaikh Mohd Zafar (2011)^[11] found that selection, time saving and timely delivery were perceived as most important reasons for online shopping by the respondents. High cost, low stock availability and quality evaluation were most important concerns perceived by respondents. Convenience was explained as high variance by the extracted factors followed by time saving and personalized products. In communalities, cost was explained as high variance by the extracted factors followed by difficult to cancel order, privacy and failure to give accurate information.

Ramin Azadavar, Darush Shahbazi and Mohammed Eghbali Teimouri (2011)^[12] found that factors like trust, customer service, customer's income, price of products or services and security were more important to encourage people to purchase online the computer related products and services. Factors like product customization and price of product were not much effective on purchasing behavior of the respondents. High level of security in online marketing of computer related products and services encouraged people to reduce the time and cost of transaction. A high level of convenience in online shopping would increase the frequency at

which people shop online. When the user experienced anxiety related to that of security personal information or considered the navigation on the website to be poor, the frequency of online shopping would decrease.

Guda Van Noort, Peter Kerkhof and Bob M. Fennis (2007)^[13] examined the impact of shopping context on consumer's risk perceptions and regulatory focus in two experiments. They found that individuals perceived an online (vs. conventional) shopping environment as more risky and that an online shopping environment, by its risky nature, primed a prevention focus. Consumer's risk perception was more than just a motive that under lied decisions to shop in an online or a conventional store. Experienced online shoppers did not stop perceiving the Internet as a risky shopping channel and were as prevention focused as the inexperienced shoppers. Prevention-focused (vs. promotion-focused) self-regulation was known to affect consumer information processing and choice.

Steven M. Edwards, Jin Kyun lee and Carrie La fearless (2009)^[14] found that familiarity with an online retailer reduced feelings of psychological distance. Retailer familiarity operated independently from brand familiarity in perceptions of psychological distance. Geographic proximity and location image did not appear to affect ratings of psychological distance. There was no significant interaction between geographic proximity and perceived location congruency on feelings of psychological distance. When respondents were familiar with the retailer and perceived the company's location image as different from that of their own town, they perceived greater psychological distance than when they were less familiar with the retailer. For unknown stores, the differences between locations actually reduced feelings of psychological distance.

Yong-Hui Li and Jing-Wen Huang (2009)^[15] found that perceived risk was negatively related to perceived usefulness and perceived ease of use. Perceived ease of use was positively related to perceived usefulness. Perceived usefulness and perceived ease of use positively affected behavioral intention, and in turn, behavioral intention affected actual purchase behavior in the online shopping channel. The behavioral intention towards online shopping had positive impact on actual purchase behavior. Online shopping was considered as one of the emerging shopping channels. The priority for providers of products or services was to realize purchase behaviors and potential requirements of consumers in the online shopping channel.

Thomas W. Dillon and Harry Reif (2002)^[16] found that consumers engaged in e-commerce were affected by different motivators than consumers engaged in traditional commerce. The items that loaded with product perception were price and quality which were consistent with the traditional consumer purchase behavior literature. The items that related to shopping experience were lifestyle compatibility, physical effort to shop, ease of internet shopping, enjoyable activity and the amount of time spent shopping. The items that loaded on consumer service (vendor warranty/guarantee, return policy, return convenience, product variety and product quantity) were not those concepts that the traditional consumer purchase literature suggested. The risk dimensions found in traditional consumer behavior literature were economic, performance, personal and privacy.

Tibert Verhagen, Selmar Meents and Yao-Hua Tan (2006)^[17] found that perceptions of trust and risk accounted for a 21% proportion of the attitude towards purchasing at an electronic marketplace (EM). Seller trust and seller risk had significant direct effects on the attitude towards purchasing, whereas intermediary trust and intermediary risk could be labeled as second-order determinants. The impact of seller trust and seller risk on the attitude could be considered as strong. A relationship with the websites under investigation was lacking.

Purchasing at an EM was subject to perceptions of two different actors: the intermediary operating the system and the population of sellers.

Objectives of the Study

1. To study the demographics characteristics of the online customers.
2. To study the factors that influence online customer's perception.

Research Methodology

The study was conducted in Kadapa district, a commercial and educational district of Andhra Pradesh. Data for this study was gathered by survey method through administered questionnaire from the people of Kadapa district. The data was collected using questionnaire. The questionnaire consists of two parts i.e. part – I and part – II. The part – I includes the demographics characteristics of the respondents and the part – II various information related to the customer perception regarding online shopping. A total of 100 questionnaires were distributed out of which 74 questionnaires were usable. Probability sample method was used to draw the respondents. Simple statistical tool was used to analyze the collected data.

Results and Discussion

As mentioned above, the study is based on a sample of 74 respondents. The demographic characteristics of sampled customers are shown in table 1.

Table 1: Demographic characteristics of sample customers (n=74)

Demographic Factors	Frequency	Percentage
Gender		
Male	53	71
Female	21	29
Age		
Below 20	6	8
21 to 30	35	47
31 to 40	20	27
41 to 50	9	12
51 and Above	4	5
Marital Status		
Single	45	61
Married	29	39
Income		
Rs. 10, 000 and Below	7	9
Rs. 10, 001 to Rs. 20,000	31	42
Rs. 20,001 to Rs. 30,000	23	31
Rs. 30,001 to Rs. 40,000	8	11
Rs. 40,001 and Above	5	7
Qualification		
School Dropout	0	0
10th Class	6	8
Intermediate	5	7

Undergraduate	20	27
Postgraduate	36	49
Others	7	9
Occupation		
Student	15	20
Unemployed	9	12
Employee	39	53
Businessperson	5	7
Others	6	8

It is revealed from the table 1 that 71% of the respondents are male and 29% are female. 47% of the respondents are between 21 to 30 age, 27% are between 31 to 40 age. 61% are single and 39% are married respondents. Most of the respondents (42%) have income between Rs. 10,001 to Rs. 20,000 followed by 31% of the respondent's income between Rs. 20,001 to Rs. 30,000. 49% of the respondents are postgraduates followed by 27% are undergraduates. Most of the respondents (53%) are employees followed by 20% are students.

Table 2: Internet Usage (n=74)

Internet Usage	Frequency	Percentage
Period of internet usage		
Less than 6 months	15	20
6 months to 1 year	28	38
1 to 2 years	12	16
2 to 3 years	9	12
More than 3 years	10	14
Time spend on internet		
Less than 1 hour	10	14
1 to 2 hours	27	36
2 to 3 hours	14	19
3 to 4 hours	12	16
More than 4 hours	11	15

Table 2 reveals that 38% of the respondents have been using internet from 6 months to 1 year followed by 20% using from less than 6 months. Most of the respondents (36%) are spending 1 to 2 hours time on internet followed by 19% spending 2 to 3 hours time on internet.

From the table 3, it is seen that 38% of the respondents have 6 months to 1 year online shopping experience. 20% have less than 6 months. 16% have 1 to 2 years. 14% have 2 to 3 years and only 12% of the respondents have more than 3 years of online shopping experience.

Table 3: Online Shopping Experience (n=74)

Online Shopping Experience	Frequency	Percentage
Less than 6 months	15	20
6 months to 1 year	28	38
1 to 2 years	12	16
2 to 3 years	10	14
More than 3 years	9	12

Table 4: Types of Goods Bought through Online Shopping (n=74)

Type of Goods Bought	Frequency	Percentage
Music/CD/DVD/Videos	34	46
Clothes/Accessories/Shoes	35	47
Computer Hardware/Electronics	20	27
Softwares/Games	15	20
Books/Magazines/News Papers	10	14
Toys/Collectibles	25	34
Others	9	12

Table 4 reveals that 47% of the respondents bought clothes/accessories/shoes. 46% bought Music/CD/DVD/Videos. 34% bought toys/collectibles. 27% bought computer hardware/electronics. 20% bought softwares/games. 14% bought books/magazines/news papers and followed by 12% bought others types of goods.

Table 5: Mode of Payments (n=74)

Mode of Payments	Frequency	Percentage
Cash on Delivery (COD)	38	51
Net Banking	15	20
Credit Card	10	14
Debit Card	7	9
Others	4	5

Source: Field Survey

From the table – 5, it is seen that 51% use Cash on Delivery (COD) as their mode of payments during shopping. 20% use net banking mode. 14% use credit card mode. 9% use debit card mode followed by 5% of the respondents using other mode of payments.

The distribution of customers according to their individual perception with respect to different attributes/statements is shown in table – 6. It is found that 85% of the respondents feel that online shopping is convenient. 93% agree that online shopping is fun to browse. 93% enjoy shop online for the purpose of finding new product.

94% agree that promotions on homepage would provide discounts and more option or choice compared to traditional shopping methods. 97% agree that online shopping offers many kinds of products or services.96% feel that online shopping allows ordering product easily. 84% agree that online shopping would provide product guarantees.

96% feel that online shopping would provide possibility of price comparison. 85% agree that online shopping offers convenient return and replacement services. 87% feel that ways of payment and obtaining products or services are safe and worry-free. Overall 94% of the respondents are satisfied with the online shopping.

Table 6: Distribution of Customers according to their Individual Perception (n=74)

S.No	Variables	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
		N	%	N	%	N	%	N	%	N	%
1.	Online shopping is convenient.	25	34	38	51	2	3	5	7	4	5
2.	Online shopping is fun to browse.	23	31	46	62	3	4	2	3	0	0
3.	I enjoy shop online for the purpose of finding new product.	28	38	41	55	2	3	1	1	2	3
4.	Promotions on homepage would provide me discounts in my online buying.	38	51	32	43	4	5	0	0	0	0
5.	Online shopping would provide me more option or choice compared to traditional shopping methods.	30	41	39	53	2	3	2	3	1	1
6.	Online shopping offers many kinds of products or services.	37	50	35	47	2	3	0	0	0	0
7.	Online shopping allows me ordering product easily.	30	41	41	55	2	3	1	1	0	0
8.	Online shopping would provide me with product guarantees.	28	38	34	46	3	4	4	5	5	7
9.	Online shopping would provide me with possibility of price comparison.	39	53	32	43	3	4	0	0	0	0
10.	Online shopping offers convenient return and replacement services.	31	42	32	43	3	4	6	8	2	3
11.	Ways of payment and obtaining products or services are safe and worry-free.	30	41	34	46	2	3	3	4	5	7
12.	The online shopping makes me feel very satisfied.	32	43	38	51	3	4	1	1	0	0

Conclusion

On the basis of the present study, we conclude that customer's perception is positive towards online shopping in Kadapa district. Online customers are satisfied with their online shopping. This research explicitly indicates that online retailer should give importance to product guarantee and ways of payment and obtaining product. In this competition era, all the online retailers

should have to concentrate on the customer's satisfaction to retain the existing customers and have to offer new schemes day to day to attract the new customers.

Limitations of the Study

The study was confined to the customers of Kadapa district only. So the finding may not be generalized in a broader perspective. Some of the respondents may not read the questionnaire carefully and as a result, they may have marked some answer incorrectly. The study is restricted to small sample size of 100. In making more generalize, reliable and significant conclusions, a study employing larger samples of customers are needed.

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