EFFECTS OF ONLINE SHOPPING ON CONSUMER BUYING BEHAVIOUR

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ABSTRACT

This study investigates numerous factors that impact buyer's behaviour during online purchase at any E-commerce business site. In this paper author has used Exploratory Factor Analysis to determine the factor that put a significant impact on customer buying behaviour during online purchase. Under this repost authors has examined 20 factors and tried to find out their impact on buying behaviour by the means of a self-designed questionnaire.

Author has examined 200 potential online customers with respect to trust and innovation and their mentalities furthermore, expectations to shop online at specific sites. We found that Customer benefits, Fast economic and secured purchase, Trend with technology, Easy availability were showing significant impact on consumer buying behaviour.

Key Words: E-commerce, Consumer buying behaviour, Customer benefits, Fast economic and secured purchase, Trend with technology, Easy availability.

INTRODUCTION

The objective of this research paper is to identify the various factors which influence online shopping. Online shopping is the way through which consumer can purchase goods or services directly by sitting at home. Earlier to shop online consumers generally visit shopping website by sitting in front of desktop or through laptops they can order, which is time taking and sitting in front of desktop is not a full day connectivity . Now day's smart phones play a dynamic role to connect to internet. Now either at office, travelling, home anywhere consumer can be in touch with online shopping sites. It is just because ease of use through internet (T. Ramayah, Joshua Ignatius), whenever he feels free time he can order.

Before launch of Smart phones internet was used only on desktop or laptop, which are fixed at a particular place. Therefore to use internet any one must sit in front of these. Due to technological up gradation of smart phones and tablet, anyone can easily access the internet on these devices, it becomes more suitable to surf internet anywhere anytime (Yulihasri, Md. Aminul Islam) . Also people find more convenient time to spend on online shopping. Because of popularity and easy access of net on smart phones, various companies also launce their products through virtual stores.

Traditional shopping has some limitations like- fix timing for customers to spend in market, if product is not selected at one shop then it is time consuming to search it various shops in the market. But at online shopping lots of varieties are available at a single click. Also consumer cannot shop product late night after office hours.

But online shopping provides consumer the 24 hour facility to shop. Also if a person travels to one place to other he can utilize its time to shop.

Introduction of 4 G technology make faster the speed of internet, which make faster availability of net surfing. Now consumer can select various shopping sites at a particular time. Before 4 G speed the transaction in banking services was slow and somehow interrupted. Which cause failure of transactions therefore consumer hesitates to purchase online. Now a day's online banking is more secured and safer therefore consumer feel secured and safe in online transactions. (Wu, J. H., & Wang, S. C., 2005)

LITERATURE REVIEW

Internet was introduced by American Defense Department Network for Advanced Research Project Organization (ARPANET) at 1969. Early target ARPANET was to create taught data for the armed force powers of US. Most imaginative innovation that has achieved a major effect at all of us is Internet development. Yu and Abdulai (2000) said that the hugest aftereffect of the fast developments in data and correspondence innovation is electronic-trade.

Technology Acceptance Model (TAM)

Davis, acquainted TAM with clarifies acknowledgment of data innovation (IT). It was depended on TRA (the Theory of Reasoned Action) and its substance aim and conduct to utilize a data framework which relies upon two remarkable convictions, to be specific seen convenience and usability. TAM involves two beliefs, perceived usefulness and ease of use for internet (Davis, Bagozzi & Warshaw, 1989).

Salient Beliefs of Usefulness and Ease of Use

Usefulness is the utilization of any product or service which a consumer looking from it. It is the measurement of degree of utility which any consumer get from the web based e commerce sites.

Variety at low cost and space

For an online business site, the expenses of putting away and referencing an item speak to a little portion of the cost when contrasted with the cost of putting away and referencing an item for "physical" stores. From the client fulfillment and accessibility of administrations, web based shopping is making a noteworthy effect upon the retail locations. Saha, A. (2015).

Burt, S., & Sparks, L. (2003) analyze three conclusions, firstly most retailers are now moving for ecommerce itself because it helps in cost reduction and operations to compete better. Secondly retailers are seeing the reactions of consumers for ecommerce and thirdly if retailers are really trying to retain consumers they have to maintain much larger floor space.

Grandon, E. E., & Pearson, J. M. (2004) says that e commerce is beneficial for both sellers as well as buyers. Such that sellers may have large numbers of potential consumers and buyers can have large variety at single place. It is also studied that ecommerce not only support large companies but also SME's (Small and Medium Enterprises)

Adams, D. A., Nelson, R. R., & Todd, P. A. (1992) identifies that information technology is accepted by users which helps them ease of use of technology.

RESEARCH METHODOLOGY

Sample Size-:200 online buyers were targeted from the capital city of Uttarakahnd i.e. Dehradun to collect responses.

Sampling Technique-: Simple Random sampling technique was used while selecting the target group. A simple random sampling technique selects as simple random sample which is a subset of a statistical population in which each member of the subset has an equal probability of being chosen. In this paper author has selected 200 citizens of Dehradun which are also online buyers.

Respondents are being chosen out a total population of 578420 (Census Report of India, 2011). The sample is random because each respondent has an equal chance of being chosen.

Demographic Profile-: 45% Females and 55% males were chosen from the sex ratio of the city is 906 per 1000 males (Census Report of India, 2011).Hence from a total respondents of 200 males and females are as follows-:

Females-: 200*45/100=90 and

Males-: 200*55/100=110
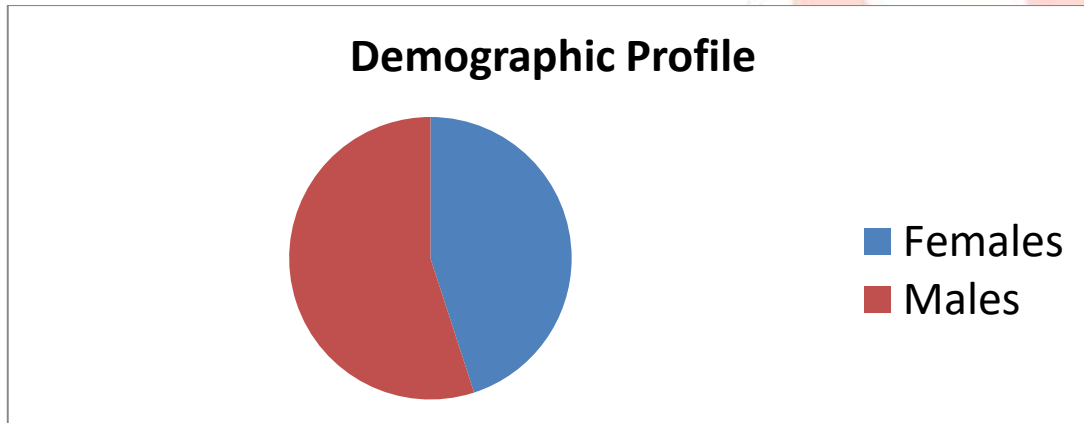
Reliability Test-:

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	200	100.0
	Excluded[a]	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.756	20

The value of Cronbach's Alpha is more than 0.6 which means that questionnaire is reliable.

Validity Test-:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.760
Bartlett's Test of Sphericity	Approx. Chi-Square	3250.953
	df	190
	Sig.	.000

The value of KMO test is more than 0.50 which means that questionnaire is valid and the significant value of Bartlett's test of Sphericity is less than 0.05 which state that there exist no internal correlations among the factors assumed by the author in the self-designed questionnaire.

Descriptive Statistics-: Descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
VAR00001	200	1.00	3.00	1.5200	.57555
VAR00002	200	1.00	4.00	2.2400	.86379
VAR00003	200	1.00	5.00	2.6000	1.09819
VAR00004	200	1.00	3.00	1.6000	.75021
VAR00005	200	1.00	4.00	2.5200	.98715
VAR00006	200	1.00	4.00	1.7200	.77758
VAR00007	200	1.00	3.00	1.6400	.68758
VAR00008	200	1.00	4.00	1.3600	.74375
VAR00009	200	1.00	2.00	1.4000	.49113
VAR00010	200	2.00	5.00	4.1200	1.10985
VAR00011	200	1.00	5.00	1.7200	.87489
VAR00012	200	1.00	3.00	1.5200	.64161
VAR00013	200	1.00	3.00	1.6000	.63404
VAR00014	200	1.00	4.00	1.6400	.74375
VAR00015	200	1.00	3.00	1.5200	.64161
VAR00016	200	1.00	2.00	1.2800	.45013
VAR00017	200	1.00	3.00	1.7200	.77758
VAR00018	200	1.00	4.00	1.4800	.75661
VAR00019	200	1.00	4.00	1.6800	.78785
VAR00020	200	1.00	5.00	1.7200	1.11707
Valid N (listwise)	200				

It shows no variables are missing hence variable set is fit to use.

Scree Plot-:
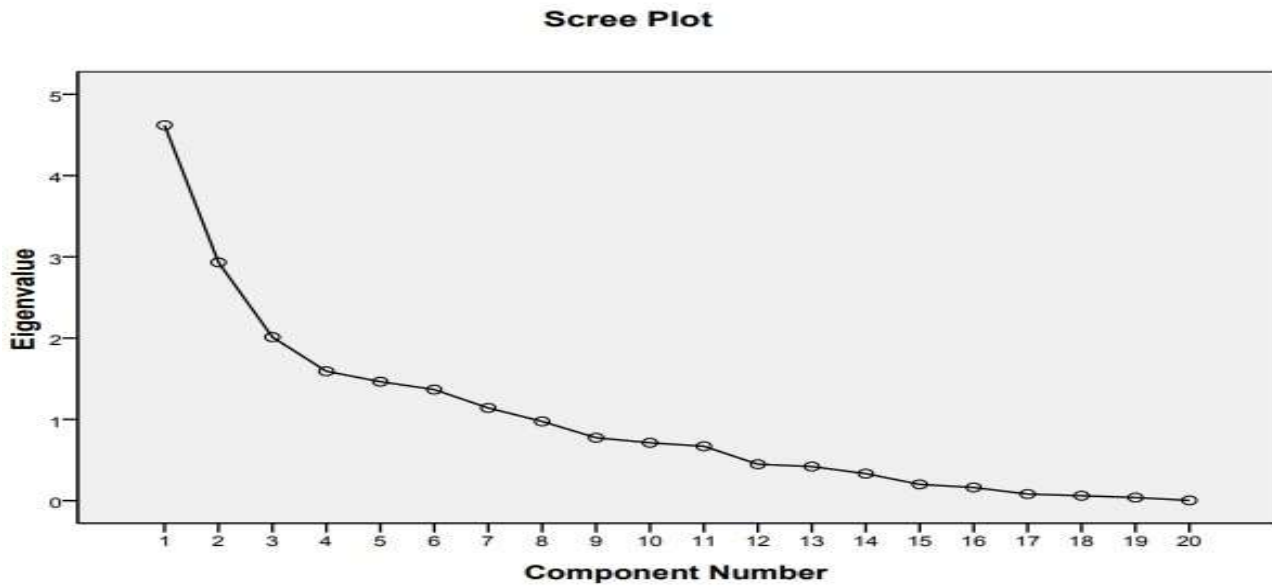
Scree Plot

Scree plot shows that four factor are possible for the Eigen value of more than 1. As after 4 factors the difference between the factors becomes constant.

Exploratory Factor Analysis-:

Rotated Component Matrix

	Component			
	1	2	3	4
I prefer that website whose design helps me to find products faster	.848	First Factor		
Online sites help to compare various brands in very minimum time	.735			
I prefer websites which gives fast delivery	.731			
I prefer to buy things every time which do got offers				

Every time i choose only one site form my online shopping on which i have trust			
high speed net facilitate me fast transactions			
Internet connectivity all-times help shopping online anytime		.733	Second Factor
Internet speed make faster surfing of sites		.672	
Return policy gives me security		.665	
Low data pack helps me to be online 24 hours		.641	
I can purchase online 24 hours			
I would not return to the site again if I am not satisfied with site for the first time			
I do not spend more for shopping			
Through online sites i get latest trends of fashion products			-.720
I prefer paying with credit card to paying with cash			-.682 Third Factor
Smart phones help me to connect through net all-times			.640

I prefer buying from a site which is organized in such a way that it minimizes my shopping time					
I prefer doing shopping quickly					
IT helps various companies to make available their products online				Fourth Factor	.884
Reduction in mobile data price gives me more connecting time					.638

These are the Factors obtained from varimax rotation of Rotated Component Matrix.

DATA ANALYSIS

From the above data it is evident that out of the possible 20 factors, 8 factors are found to have insignificant impact on consumer buying behaviour (CBB) whereas 12 factors under 4 clusters are found to have significant impact on CBB. They are as follows-:

Factor 1(Customer benefits)	Factor 2 (Fast, economic and secured purchase)	Factor 3 (Trend with technology)	Factor 4 (Easy availability)
I prefer that website whose design helps me to find products faster.	Internet connectivity all-times help shopping online anytime.	Through online sites i get latest trends of fashion products.	IT helps various companies to make available their products online.
Online sites help to compare various brands in very minimum time.	Internet speed make faster surfing of sites.	I prefer paying with credit card to paying with cash.	Reduction in mobile data price gives me more connecting time.

I prefer websites which gives fast delivery.	Return policy gives me security.	Smart phones help me to connect through net all-times.	
	Low data pack helps me to be online 24 hours.		

CONCLUSION

It is evident from the study that after investigating 20 odd factors obtained through rigorous literature survey only 4 clustered factors were showing a significant impact on the buying behaviour of online users. Hence we can say that factors affecting consumer buying behaviour during E-Commerce are-:

Customer Benefit includes-: Website design helps easy access of site, various brands comparability and fast delivery services.

Fast, economic and secured purchase includes-: All time connectivity of internet, fast surfing speed, secured return policy and economic data packs.

Trend with technology includes-: New fashion products available at very short time, cash less transactions, smart phones helps to connect anywhere anytime.

Easy availability includes-: Data packs are affordable for a middle class family, various companies can easily update site with the help of IT.

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