



FACTORS INFLUENCING PURCHASE INTENTION OF STUDENTS SHOPPING ONLINE

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ABSTRACT

Online shopping 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 Customer behaviour in cyberspace. Online shopping or online retailing is a form of electronic commerce which allows Customers 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. The largest of these online retailing corporations are e-Bay, Flipkart and Amazon.com, are based in the United States and have their global presence. Students play a major role in understanding and utilising the technology to their best, therefore, online shopping has become reasonably at ease in which case, they feel comfortable, risk free and authenticity with more comparison not compromising the cost factors drive their attitude and intention in buying products through online this persuaded the interest of the researcher select the study in Kerala confining to Palakkad District where there are sufficient number of arts, science and engineering colleges available for survey and analysis. The objective is to analyse the factors influencing purchase intention of students shopping online. For this research study, samples are selected only from students studying in Self- Finance Arts and Science Colleges in Palakkad District. Final sample achieved is five hundred and twenty (520) considered for data analysis and interpretation. The statistical tools used are Multiple Regression Analysis. Perceived Usefulness have increased their purchase intention of shopping online, thus proving that the hypothesis partially accepted when the predictors (X factors) viz. X: Purchase Attitude, Usefulness and Consumer Factors are significantly related with Y: Purchase Intention, while, Perceived Risk and Purchase Intention have negative effect, thereby, rejecting the null hypothesis (H_0). it is strongly recommended, if the ease of use has significantly influenced the perceived enjoyment by avoiding risk factors then there is a definite prospect to elevate the Purchase intention and behaviour of the shoppers.

Key Words: online shopping, virtual store, Attitude, Intention

1. INTRODUCTION

Online shopping 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 Customer behaviour in cyberspace. With the development of the retail E-commerce, researchers continue to explain E-attitude of Customers of different perspectives. E-commerce is the buying and selling of the goods and services 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 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 number of Internet users is constantly increasing, which is also significance that online purchasing is increasing rapidly. According to eBay results, over 497 cities did online transactions in India. The major IT Hubs are almost all over India.

1(a) ONLINE SHOPPING

Online shopping or online retailing is a form of electronic commerce which allows Customers 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- Customer (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, Flipkart and Amazon.com, are based in the United States and have their global presence. 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.

2. STATEMENT OF THE PROBLEM

Online shopping is growing in multi fold manner due to the change of consumer mentality and their shopping behaviour (Stoel, L & HA,S 2009). In fact, it is becoming increasingly popular in cities, especially among with high industrialization and literacy rate. Students play a major role in understanding and utilising the technology to their best, therefore, online shopping has become reasonably at ease in which case, they feel comfortable, risk free and authenticity with more comparison not compromising the cost factors drive their attitude and intention in buying products through online this persuaded the interest of the researcher select the study in Kerala confining to Palakkad District where there are sufficient number of arts, science and engineering colleges available for survey and analysis.

3. OBJECTIVE OF THE STUDY

- To analyse the factors influencing purchase intention of students shopping online

4. METHODOLOGY

The research is descriptive in nature Students pursuing various courses at Arts and Science in these colleges account for more than Twenty thousand. So they are the strongest population in Palakkad. For this research study, samples are selected only from students studying in Self- Finance Arts and Science Colleges in Palakkad District. Final sample achieved is five hundred and twenty (520) considered for data analysis and interpretation. The statistical tools used are Multiple Regression Analysis.

5. LIMITATIONS OF THE STUDY

The study has been confined to Palakkad District only. So, the result may not be applicable to other areas. The result fully depends on information given by the students studying in select streams. The study is confined to 520 respondents only and may reveal the result based on the sample size.

6. LITERATURE REVIEW

Ajitabh Dash, (2012), studied about the “Online Shopping and Customer Satisfaction: An Empirical Investigation”, Internet is changing the way customers shop and buy goods and has rapidly evolved into a global phenomenon. It has become a tool for cutting the marketing cost thereby reducing the price of the product and keeping a company ahead in a highly competitive market situation. In India, internet is still considered as a new medium to link customers with retailers. In this sense the aim of this study is to identify the key factors influencing customers satisfaction through on line shopping. Multiple

regression analysis is used to anticipate the impact of these independent variables, viz privacy, trust, complexity, product variety, risk, time utility and reliability.

According to **Gozukara et al. (2014)**, the first dimension refers to consumer's attitude towards a utilitarian motivation (convenience, variety seeking, and the quality of merchandise, cost benefit, and time effectiveness). The second dimension states about hedonic motivation (happiness, fantasy, escapism, awakening, sensuality & enjoyment), and **Baber et al. (2014)** mentions the third one as perceived ease of use, and usefulness. Another dimension covers perceived risk which determine consumer's behavior towards online shopping.

Many researchers (**Subhalakshami & Ravi, 2015**) argued that perceived risk like financial risk, product risk, non-delivery risk, time risk, privacy risk, information risk, social risk, and personal risk have a negative and significant effect on consumer's online shopping behavior. Another dimension of consumer's behavior is trust and security on e-retailers, **Monsuwe et al. (2004)** suggested that positive shopping experience builds consumer's trust on e-retailers and reduces the perceived risk.

7. ANALYSIS AND RESULTLS

7(a). FACTORS INFLUENCING PURCHASE INTENTION

Table 1 reveals correlation ($r=0.710$) is strong followed by determination of power through variance of all factors (X) which are predictor [X1:Purchase Attitude (PA), X2: Perceived Usefulness (PU), X3: Perceived Ease of Use (PEoU), X4: Consumer Factors (CF), X5: Risk Factors (RF)] variables on the dependent factor Y: Purchase Intention (PI) of students shopping online achieved $R^2=50.4\%$ variance and the Adjusted $R^2=0.499$ signifies strong positive impact of X: All five Factor on Y: Purchase Intention (PI) at 50% (approx.).

Table 1: Model and Fitness Summary of factors (attitude, usefulness, ease of use, consume factors and Risk Factors) and purchase intention of students shopping online

Value of R	Value of R^2	Value of Adjusted R^2	DF of V_1 & V_2	F-Value	Significance
0.710	0.504	0.499	(5, 514)	104.51	0.000

Predictors: (Constant), Perceived Risk, Perceived Ease of Use, Perceived Usefulness, Purchase Attitude, Consumer Factors

Model explains fitness [$F(5,514)=104.51, \text{Sig}.0.000$) statistically proved good to further continue examining the beta coefficients which explains impact of each predictor (X1 to X5 i.e. X1:Purchase

Attitude (PA), X2: Perceived Usefulness (PU), X3: Perceived Ease of Use (PEoU), X4: Consumer Factors (CF), X5: Risk Factors (RF)] on Y= Purchase Intention (PI) of students shopping online in Palakkad, Kerala. In this regard, the equation is

$$\begin{aligned} &= 1.240 + 0.144 (X1: Purchase Attitude) + 0.014 (X2: Usefulness) \\ &\quad - 0.011 (X3: Ease of Use) + 0.015 (X4: Consumer Factor) \\ &\quad - 0.019 (X5: Risk Factor) \end{aligned}$$

When determining the multi-co-linearity of independent variables (X: All Factors) on dependent (Y: Purchase Intention of students) variables shows no trace of multi-collinearity exhibiting below the threshold (0.5) level specified by Ghazali 2006. This proves the model have merit to further conduct path analysis

The framed hypothesis framed is

Significant relationship expected between

- Purchase Attitude and Purchase Intention
- Perceived Usefulness and Purchase Intention
- Perceived Ease of Use and Purchase Intention
- Consumer Factor and Purchase Intention
- Risk Factor and Purchase Intention

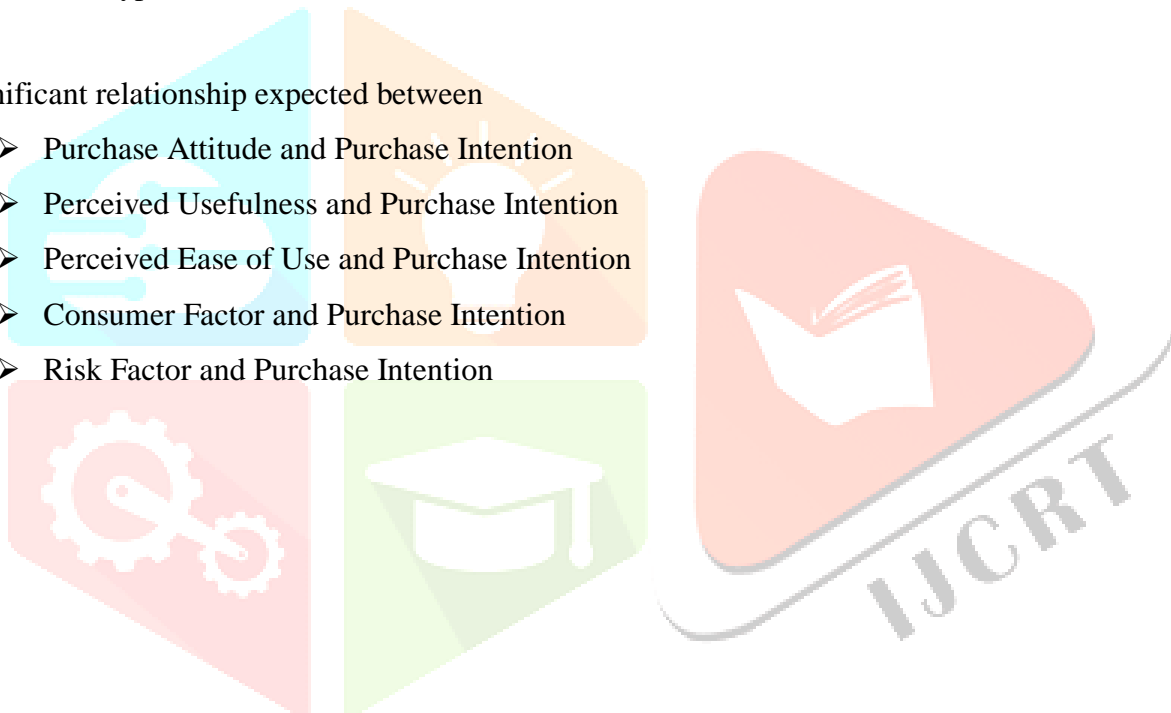


Table 2: Regression Weights measuring influence of All Factors on Purchase Intention of students online shopping

Constructs	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.240	.128					
Purchase Attitude	.144	.012	.627	12.246	.000	.367	2.721
Perceived Usefulness	.014	.009	.074	1.623	.105	.464	2.156
Perceived Ease of Use	-.011	.007	-.071	-1.511	.131	.433	2.307
Consumer Factors	.015	.005	.223	3.097	.002	.185	4.396
Perceived Risk	-.019	.008	-.146	-2.329	.020	.244	4.091

Dependent Variable: Purchase Intention

Coefficient's strength proved significant positive impact and relationship exists between two independent variables [(X1:Purchase Attitude (PA), X4: Consumer Factors (CF)], while negative impact and relationship between another two independent variables [(X2:Usefulness (PU) and X5: Perceived Risk (PR)] and dependent variable (Y=Purchase Intention) signifying that one unit change in Purchase Attitude while shopping online significantly increases Purchase Intention of students shopping online by 0.144 units and the result is $\beta=0.144$, $SE=0.012$, $t'=12.246$, $Sig.0.000$, thus proving the declared hypothesis is true. Followed by a unit change in Consumer Factor while online shopping significantly increases Purchase Intention of students shopping online by 0.015 units and the result is $\beta=0.015$, $SE=0.005$, $t'=3.097$, $Sig.0.000$, and proving the declared hypothesis is true. Change in Usefulness by one unit while online shopping significantly increases Purchase Intention of students by 0.014 units and the result is $\beta=-0.014$, $SE=0.009$, $t'=1.623$, $Sig.0.105$, and proving the declared hypothesis is true achieved significance at 10% level. A unit change in Risk Factor while online shopping significantly decline Purchase Intention of students shopping online by 0.019 units and the result is $\beta=-0.019$, $SE=0.008$, $t'=-2.329$, $Sig.0.020$, which reveals that risk factor is observed during online shopping even though, individual constructs on purchase attitude shows positive effects, when it comes to purchase intention marginal negative impact observed among students towards risk factor during online shopping. No relationship exists between Perceived Ease of Use and Purchase Intention to accept null hypothesis.

While considering the standardized beta coefficient considered weightage of all five factors which proved the highest positive perception of students towards Purchase Attitude followed by Consumer Factor and finally, Perceived Usefulness have increased their purchase intention of shopping online, thus proving that the hypothesis partially accepted when the predictors (X factors) viz. X: Purchase Attitude, Usefulness and Consumer Factors are significantly related with Y: Purchase Intention, while, Perceived Risk and Purchase Intention have negative effect, thereby, rejecting the null hypothesis (H_0).

8. SUMMARY OF THE RESULTS

8(a) FINDINGS

Standardized beta coefficient considered weightage of all five factors which proved the highest positive perception of students towards Purchase Attitude followed by Consumer Factor and finally, Perceived Usefulness have increased their purchase intention of shopping online, thus proving that the hypothesis partially accepted when the predictors (X factors) viz. X: Purchase Attitude, Usefulness and Consumer Factors are significantly related with Y: Purchase Intention, while, Perceived Risk and Purchase Intention have negative effect, thereby, rejecting the null hypothesis (H_0).

8(b) SUGGESTIONS

There are three factors that influence significantly the Purchase Attitude of College Students such as Marketing Factor, Consumer Factor and Technology factor. In this study all these factors were found to have significantly influenced the College students that helped them to prefer online shopping. It is suggested that if all these categories are taken care by the policy makers, the realistic of success in the online shopping business is not far away.

The TAM model suggests to strengthen the prospects for perceived ease of use and perceived enjoyment factors through promotional activities which were found to have insignificant impact based on the perception of the student respondents considered for the study. Whereas, there is significant effect realized with regards to perceived ease of use and purchase intention which is a positive sign for the growth of the shopping industry. Therefore, it is strongly recommended, if the ease of use has significantly influenced the perceived enjoyment by avoiding risk factors then there is a definite prospect to elevate the Purchase intention and behaviour of the shoppers.

8(c) CONCLUSION

This behavioural change among the young consumers will create significant impact in the functioning of Indian retail business in future as the present proposition of brick and mortar retailing (93%) and online retailing (7%) would get modified in the vice versa. So, it would create major dent in the growth of brick and mortar stores in future. The enhancement of growth in online shopping will provide the benefit to the society in the aspect of reduction of carbon monoxide emission and less traffic as it effectively reduce the movement of people. From this research, it is clearly understood that the consumers have satisfaction and positive attitude towards online shopping. This phenomenon should be incorporated by the online shopping companies in an appropriate way to ensure the sustainable growth and development.

9. REFERENCES

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