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IDENTIFYING BARRIERS TOWARDS ONLINE SHOPPING WITH REFERENCE TO AHMEDABAD CITY

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ABSTRACT

The recent growth of e-commerce sector and the advent of modern technologies have led to a paradigm shift in the buying pattern of consumers from conventional shopping to online shopping. Internet accessibility has become much easier through modern equipments' such as mobile phones, tablets, laptops, etc. People desire a fast-paced existence in today's hectic world. Consumers are enticed to shop online to reduce transportation costs, gain access to a wide selection, take advantage of return and exchange policies, and shop whenever they want at their door step. However, occasionally a lack of tangibles, poor after-sales support, and unsecured payment methods prevent consumers from shopping online. The purpose of this study is to identify the factors that influence consumers' unwillingness to shop online, specifically with regard to Ahmedabad City. A structured questionnaire is used to collect primary data from 1001 respondents selected purposively from Ahmedabad City of which 243 respondents preferred not to shop online. The findings imply that "Lack of Assurance Factor" as one of the major factors depicting the reasons to not shop online which comprises of items such as Lack of Confidence, Scarcity of Authentic Services, Lack of Tangibility and Lack of Satisfaction.

Keywords : Barriers, Online Shopping, Ahmedabad City, Factor Analysis

INTRODUCTION

Earlier the physiological needs of human beings were limited to food, clothing and shelter, but in modern times "INTERNET" has also been added to this list. People desire a fast-paced existence in today's hectic world. Consumers are enticed to shop online to reduce transportation costs, gain access to a wide selection, take advantage of return and exchange policies, and shop whenever they want at their door step. However, occasionally a lack of tangibles, poor after-sales support, and unsecured payment methods prevent consumers from shopping online. According to Statista, India's Internet penetration rate has increased from just under 4% in 2007 to almost over 48.7% in 2022. 1.37 billion people, or about half of the population, has internet access. India has a lot of potential in the e-commerce sector because of the rising number of internet users and the favourable market circumstances. The market value of India's e-commerce sector, which is expanding exponentially, was 84 billion US dollars in 2021. By 2030, this value is anticipated to reach 350 billion US dollars. According to an IAMAI report 2019, Gujarat State has a 39% Internet penetration rate, while Ahmedabad, a metropolitan city, had 4 million internet users as on November 2019. Thus, the study is an attempt to identify the major barriers towards online shopping with specific reference to Ahmedabad City.

LITERATURE REVIEW

Numerous studies have been conducted to examine consumer online buying behaviour. Few research has been conducted to determine the reasons why consumers don't shop online, including their worries, challenges, hesitations, and other factors. **Sandhe (2015)** states that lack of trust, quality of after sales service, quality of goods offered for sale and the price charged are the hindrances for consumers to shop online which also supported by **Lee and Turban (2001).** It also emphasizes that merchant integrity plays an important role for building consumer trust. Shoppers from South Africa hesitate to shop online because of security reasons, lack of tangibility and unfamiliar merchants as mentioned in **Swardt (2008).** It has been revealed in **Renouf & Maniglier (2013)** that even young French shoppers are discouraged to shop online because of reasons such as trial of the product before reception, fear of dissatisfaction, bad internet connection, difficulty of exchange, no or bad customer service and order tracking. As stated by **Sin Leo and Alan Tse (2002)** identified that even in Hong Kong security and reliability are two critical concerns that create obstacles for consumers to shop online. The four categories of variables, such as customer characteristics, contextual factors, perceived uncertainty factors, and medium/channel innovation factors, that predicted three types of hesitation in online buying, such as general hesitation, shopping cart abandonment, and hesitation at the final payment step as revealed from the study of **Hoan Cho et.al. (2006)**. According to **Ceren Topaloglu (2012)** people in Turkey avoid online shopping when they have personal security concerns. Even for the people of Pakistan safety issue is the biggest barrier in the process of online shopping, they are afraid to share their personal and financial information on internet as stated in the study of **Adil Bashir (2013).** The highest perceived risks for Indian online shopper as concluded from the study of **Mishra (2013)** is related to security of credit card information, confidentiality of personal information and trust of e-retailers, the findings are also validated in the study of **Maigan and Lukas (1997) and Virdi et. al. (2007).** The study of **Daroch et.al. (2020)** revealed six major factors restraining consumers to shop online are fear of bank transaction and faith, traditional shopping more convenient than online shopping, reputation and services provided, experience, insecurity and insufficient product information and lack of trust; the results are also supported in the study of **Prabha & Karunanidhi (2017)** by further stating that understanding consumer's need for online shopping is the biggest challenge for the marketers as well as in the study of **Naseri et. al. (2020)** with some additional barriers such as web design and perceived ease of use. Several barriers which are faced by customers globally are concluded in the study of **Jain & Kulhar (2019)** such as perceived risks towards online shopping, payment security risk, customers' demographics, lack of adequate infrastructures and after sales services

RESEARCH METHODOLOGY

- ***Objective of the study***

1. To determine the major reasons that prevent consumers in Ahmedabad City from shopping online.
2. To identify the factors that restrict consumers in Ahmedabad City from shopping online.

➢ ***Research Design***

- This study is based mainly upon Descriptive and Causal Research Designs.

➢ **Sampling Design**

- This study is based on primary data collected from 1001 respondents of Ahmedabad City, of which 758 respondents shop online and 243 don't prefer to shop online.
- The selection of the respondents is based on Purposive Sampling, drawn from internet users residing in Ahmedabad City.
- The data is collected through structured Google form questionnaire.
- In order to measure the reliability of the questionnaire, Cronbach Alpha Test had been carried out on 26 respondents of Ahmedabad City. A construct or variable is reliable if the Cronbach Alpha is more than 0.6 (Bryman and Bell 2007). The Cronbach's Alpha value is .930 which is greater than 0.6, which indicates that the research instrument is reliable.

Table 1 Reliability Statistics

Cronbach's Alpha	N of items
0.930	13

➢ ***Tools and Techniques***

- IBM Statistical Package for Social Science 25.0 (SPSS 20.0) has been used for comprehensive analysis of the data collected. The results are arrived at using statistical technique, such as Factor Analysis.

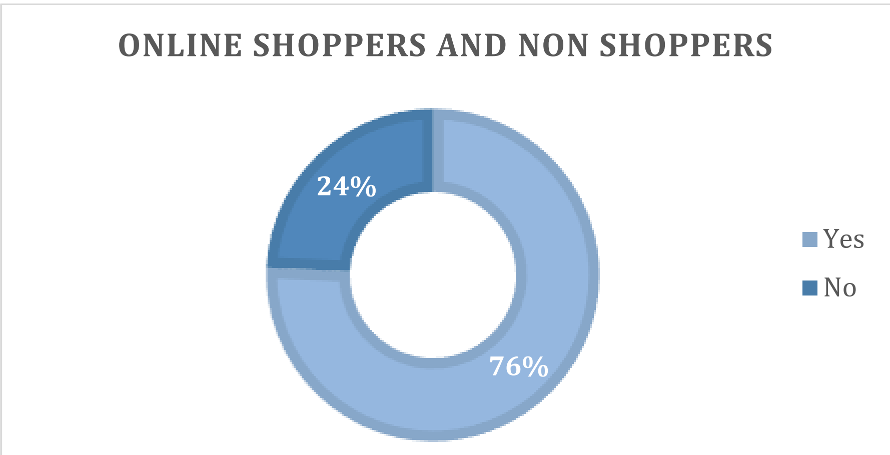
DATA ANALYSIS

1. In order to determine the proportion of shopper's not shopping online, out of total respondents, almost 76% of respondents shop online whereas remaining24% respondents do not shop online.

Table 2 Respondents Shopping Online

Type	Frequency	Percentage
Yes	758	75.7
No	243	24.3
Total	1001	100.0

Chart 1 Percentage Distribution of Respondents Not Shopping Online



2. In order to determine major reasons referred by the respondents to not shop online, factor analysis has been conducted using five-point Likert Scale to group of 18 statements and 5 major factors were extracted.

- In order to check the data adequacy for factor analysis Kaiser-Meyer-Olkin (KMO) - Barttlet Test was carried out. The range of KMO is between 0 to 1 and the value greater than 0.5 suggests that the data is adequate for factor analysis. In this case the value was 0.933 which is closer to 1.0 and hence the data is fit for the factor analysis. Simultaneously, Barttlet's Test of sphericity indicates the Chi Square value of 2322.694 with p value is 0.000 which is less than 0.05; this testified that the sample was appropriate for factor analysis.

Table 3 indicates the descriptive analysis of the scores obtained from 243 respondents on 18 variables under study

Table 3 Descriptive Statistics

Variable No.	Statements	Mean	Standard Deviation	Coefficient of Variation
1	Shopping on the internet takes up a lot of time	3.7901	1.11024	29.29
2	When it comes to online shopping, there is a lack of confidence	**4.1358**	1.15085	**27.83**
3	Shopping online is too complicated	3.6872	1.11012	30.11
4	There is a scarcity of authentic services	3.6502	1.04697	28.68
5	There is a lack of tangibility when it comes to the commodity	3.7449	1.05662	28.21
6	Delivery is not on schedule	3.3827	1.17376	34.70
7	High risk of damage during transit	3.5103	1.05768	30.13
8	Online shopping does not satisfy me	3.7284	1.10235	29.57
9	In online shopping, there is a strict return / replace policy	3.535	1.13264	32.04
10	In online shopping, there is a limited range of products to choose from	**3.2181**	1.2653	**39.32**
11	In online shopping, there is a lack of after sales support	3.679	1.13357	30.81
12	In online shopping, there is a lack of mechanism for dealing with complaints	3.6584	1.09968	30.06
13	Online shopping has a lack of quality assurance	3.7325	1.09773	29.41
14	Acceptance of items in online shopping without inspection	3.7449	1.11374	29.74
15	Offers in online shopping are only valid for a limited time	3.465	1.07652	31.07

16	Online shopping provides unauthorized access to personal details	3.6543	1.1765	32.19
17	There is an unsecure payment mechanism in online shopping	3.5679	1.07109	30.02
18	Online shopping procedures are lengthy	3.3868	1.08262	31.97

The variable "When it comes to online shopping, there is a lack of confidence (i.e., variable no. 2)" has the highest mean score, indicating that this is the biggest obstacle for respondents shopping online. The variable with the lowest mean score, "In online shopping, there is a limited range of products to choose from (i.e., variable no. 10)," suggests that this is not among the main reasons for respondents to not shop online. "When it comes to online buying, there is a lack of confidence", according to variable no. 2, has the lowest coefficient of variation, indicating the responses are most consistent. The highest coefficient of variation for variable no. 10, "In online shopping, there is a limited range of products to choose from," shows that responses to this variable are the most inconsistent. In order to test the data appropriateness for factor analysis "KMO and Bartlett's Test" has been carried out as shown in table 4

Table 4 KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.933
Bartlett's Test of Sphericity	Approx. Chi Square	2322.694
	df	153
	Sig.	0.000

The range of KMO is between 0 to 1 and the value between 0.5 and 1.0, (Field, 2009. p. 647) suggests that the data is adequate for factor analysis. In this case the value was 0.933 which is closer to 1.0 and hence the data is fit for the factor analysis. It may be noted that sample size is 243 which is more than thirteen times the number of variables (eighteen)

In order to test the following hypothesis:

H0 : There is no significant relationship between the variables in the population

H1 : There is significant relationship between the variables in the population.

Bartlett's Test of sphericity indicates the significance value is 0.000 which is less than 0.05. Thus, null hypothesis is rejected. Further the value of Chi Square is approx. 2322.694 which is high, indicating that there is significant relationship between the variables in the population.

Principal Component Method has been applied because the primary concern of the analysis was to determine the minimum number of factors that will account for maximum variance of data.

Table 5 Principal Component Method

Variable No.	Statements	Initial	Extraction
1	Shopping on the internet takes up a lot of time	1.000	.750
2	When it comes to online shopping, there is a lack of confidence	1.000	.700
3	Shopping online is too complicated	1.000	**.797**
4	There is a scarcity of authentic services	1.000	.635
5	There is a lack of tangibility when it comes to the commodity	1.000	.673
6	Delivery is not on schedule	1.000	.683
7	High risk of damage during transit	1.000	.727
8	Online shopping does not satisfy me	1.000	.647
9	In online shopping, there is a strict return / replace policy	1.000	.668
10	In online shopping, there is a limited range of products to choose from	1.000	.728
11	In online shopping, there is a lack of after sales support	1.000	.688
12	In online shopping, there is a lack of mechanism for dealing with complaints	1.000	.663
13	Online shopping has a lack of quality assurance	1.000	.732
14	Acceptance of items in online shopping without inspection	1.000	.619
15	Offers in online shopping are only valid for a limited time	1.000	.707
16	Online shopping provides unauthorized access to personal details	1.000	.714
17	There is an unsecure payment mechanism in online shopping	1.000	.773
18	Online shopping procedures are lengthy	1.000	.724
Extraction Method: Principal Component Matrix			

The communalities show how much of each variable has been taken into account by the combined effects of the underlined elements. A relatively high communality demonstrates that little of the variable remains after taking into account whatever the components represent. The maximum communality for variable no. 3 is 0.797, which indicates that the five factors, when combined, adequately explain 79.7% of the variation or information content of this variable, "Shopping online is too hard." which is fairly good.

Extraction Method: Principal Component Analysis

Table 6 explains the extraction of five major factors depicting the major reasons for not shopping online along with their extracted cumulative percentages variances. The five factors jointly explain 70.15% of the total variance showing the major reasons for not shopping online.

Table 6 Total Variance Explained

Component	Initial Eigen Values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.354	46.413	46.413	8.354	46.413	46.413
2	1.637	9.093	55.506	1.637	9.093	55.506
3	1.087	6.040	61.546	1.087	6.040	61.546
4	.848	4.710	66.256	.848	4.710	66.256
5	.702	3.898	70.154	.702	3.898	70.154
6	.653	3.629	73.782			
7	.579	3.215	76.997			
8	.545	3.028	80.026			
9	.490	2.720	82.746			
10	.444	2.464	85.210			
11	.430	2.390	87.601			
12	.407	2.261	89.861			
13	.384	2.132	91.993			
14	.326	1.812	93.805			
15	.306	1.700	95.505			
16	.297	1.651	97.156			
17	.276	1.532	98.688			
18	.236	1.312	100.000			

Extraction Method: Principal Component Matrix

The rotated component matrix in table 7 extracted five factors which are given below:

Table 7 Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
Time Consuming				.674	
Lack of Confidence	.612				
Too Complicated				.820	
Scarcity of Authentic Services	.710				
Lack of Tangibility	.708				
Delivery not as per Schedule					.598
Damage during Transit					.692
Lack of Satisfaction	.628				
Strict Return / Replace Policy		.658			
Lack of Wide Variety					.800
Lack of After Sales Support		.570			
Lack of Mechanism to Deal with Complaints		.541			
Lack of Quality Assurance		.740			
Acceptance without Inspection		.553			
Offers Valid for Limited Time				.505	
Unauthorized Access to Personal Details			.730		
Unsecure Payment Mechanism			.787		
Lengthy Procedures				.545	
Extraction Method: Principal Component Analysis.					
Rotation Method: Varimax with Kaiser Normalization[a]					
a. Rotation converged in 7 iterations.					

Table 8 Segregation of statements in each of the factor

Factor	Name of the Factor	Factor Loadings
F1	**Lack of Assurance Factor**	
S2	When it comes to online shopping, there is a lack of confidence	0.612
S4	There is a scarcity of authentic services	0.710
S5	There is a lack of tangibility when it comes to the commodity	0.708
S8	Online shopping does not satisfy me	0.628
F2	**Lack of After Sales Services Factor**	
S9	In online shopping, there is a strict return / replace policy	0.658
S11	In online shopping, there is a lack of after sales support	0.570
S12	In online shopping, there is a lack of mechanism for dealing with complaints	0.541
S13	Online shopping has a lack of quality assurance	0.740
S14	Acceptance of items in online shopping without inspection	0.553
F3	**Unsecure Mechanism Factor**	
S16	Online shopping provides unauthorized access to personal details	0.730
S17	There is an unsecure payment mechanism in online shopping	0.787
F4	**Time Consuming Factor**	
S1	Shopping on the internet takes up a lot of time	0.674
S3	Shopping online is too complicated	0.820
S15	Offers in online shopping are only valid for a limited time	0.505
S18	Online shopping procedures are lengthy	0.545
F5	**Poor Product Offering Factor**	
S6	Delivery is not on schedule	0.598
S7	High risk of damage during transit	0.692

S10	In online shopping, there is a limited range of products to choose from	0.800

Names of extracted factors

The five factors extracted has been named as below mentioned

- The first factor accounts for a total variance of 46.413%, it comprises of items such as – Lack of Confidence, Scarcity of Authentic Services, Lack of Tangibility and Lack of Satisfaction which has been named as **"Lack of Assurance."**
- The second factor accounts for a total a variance of 9.093 %, it comprises of items – Strict Return / Replace Policy, Lack of After Sales Support, Lack of Mechanism to Deal with Complaints, Lack of Quality Assurance and Acceptance without Inspection which has been named as **"Lack of After Sales Services."**
- The third factor accounts for a total variance of 6.040%, it comprises of items – Unauthorized Access to Personal Details and Unsecure Payment Mechanism which has been named as **"Unsecure Mechanism"**
- The fourth factor accounts for a total variance of 4.710%, it comprises of items –Time Consuming, Too Complicated, Offers Valid for Limited Time and lengthy Procedures which has been named as **"Time Consuming."**
- The fifth factor accounts for a total variance of 3.898%, it comprises of item –Delivery not as per Schedule, Damage during Transit and Lack of Wide Variety which has been named as **"Poor Product Offering."**

FINDINGS, IMPLICATIONS & CONCLUSION

Out of total respondents, 243 respondents do not shop online. The main 18 reasons provided by respondents for not shopping online are categorised into five categories. They are named as "Lack of Assurance," wherein Scarcity of Authentic services is a dominating variable, "Lack of After Sales Service," wherein Lack of Quality Assurance is a dominating variable, "Unsecure Mechanism," wherein Unsecure Payment Mechanism is a dominating variable, "Time Consuming," wherein Too Complicated Process is a dominating variable and "Poor Product Offering" wherein Lack of After Sales Support is a dominating variable. The findings imply that "Lack of Assurance Factor" as one of the major factors depicting the reasons to not shop online which comprises of items such as Lack of Confidence, Scarcity of Authentic Services, Lack of Tangibility and Lack of Satisfaction. The main barrier to online shopping for present non-shoppers is a lack of confidence. Success in e-commerce depends on customer confidence. Businesses should offer easy returns and a money - back guarantees, online third-party reviews and recommendations, and augmented reality and virtual reality technology so that businesses can provide more specialized, tailored shopping experiences to consumers. In order to make the shopping experience as easy and secure as possible, marketers should solve the technical difficulties consumers face.

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