A STUDY OF FACTORS INFLUENCING PURCHASE DECISION OF ONLINE CUSTOMERS: A CASE STUDY OF AKOLA CITY.

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Abstract: The purpose of this study is to analyze factors affecting on online shopping behavior of consumers that might be one of the most important issues of e-commerce and marketing field. Consumer’s attitude towards online shopping refers to their psychological state in terms of making purchases over the Internet. The process of online buying behavior consists of five steps and it is similar to traditional shopping behavior. The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy in spite of the larger distance arising from the endless and unlimited market offered by the internet. Besides the advantages however, it is good to know that there may also be risks connecting to online shopping, since the conclusion of the contract is done without personal interaction, and the consumer sitting in front of a computer/screen tends not to think over or consider his/her intention of buying.

Keywords: online shopping, shopping behavior, B2C e-commerce

I. INTRODUCTION

Online shopping is a form of e-commerce which allows consumers to directly purchase products or services from seller over the internet using web browser. Online shopping is a fast growing phenomenon. Growing numbers of consumers shop online to purchase goods and services, gather product information or even browse for enjoyment. Online shopping environments are therefore playing an increasing role in the overall relationship between marketers and their consumers (Koo et al 2008).

Due to exponentially rising business opportunities, there are a number of services being offered on the internet. Online shopping has emerged as one of the most prominent services available through internet. It has enormous advantages for the consumers as well as business houses. Through on-line shopping, business houses have been able to reach out to more consumers at less cost. They have been able to reach out to consumers living in remote areas. In-fact these are acting as stepping-stones to concept of global village. More over the inventory management overheads also decrease significantly through online shopping (Richa, 2012).

Consumers can shop from any place and need not physically visit the shops / outlets for shopping purposes. Therefore, even if customer is staying in remote area, he / she can easily shop through internet. However, here consumers can visit any number of sites to reach at final choice. Hence, online shopping provides unlimited choices to the consumers in nut shell. The customer can shop any day of the year on any time of the day. This also helps in consumers’ time and energy saving. More over due to unlimited choice and less excess time, consumers can easily search for the desired things and can easily compare the products / items. Therefore, the present research is made to study the factors affecting online shopping behaviour of consumers in Akola City.

II. LITERATURE REVIEW

Any literature available on the online shopping varies from individual researchers to committee reports, empirical studies to descriptive works and general to specific nature of studies. A brief review of literature in this concerned subject is given as follows:

a) According to Haubl and Trifts (2000), potential consumers appear to use a two-stage process in reaching purchase decisions. Initially, consumers typically screen a large set of products in order to identify a subset of promising alternatives that appears to meet their needs. They then evaluate the subset in greater depth, performing relative comparisons across products based on some desirable attributes and make a purchase decision. Using a controlled experiment, these authors discover that the interactive tools designed to assist consumers in the initial screening of available alternatives and to facilitate in-depth comparisons among selected alternatives in an online shopping environment may have strong favorable effects on both the quality and the efficiency of purchase decisions. (Haubl and Trifts 2000, p. 4).

b) Zhang, von Dran, Small, and Barcellos (1999, 2000), and Zhang and von Dran (2000) make an attempt to evaluate website quality from user satisfaction and dissatisfaction perspective. Their studies show that website design features can be regarded as hygiene and motivator factors that contribute to user dissatisfaction and satisfaction with a website. Hygiene factors are those whose present make a website functional and serviceable, and whose absence causes user dissatisfaction. Some of the categories of hygiene factors are: Privacy and Security, Technical Aspect, Navigation, Impartiality, and Information Content.

c) Li and colleagues (1999) found that customers who purchase Internet stores more frequently are more convenience-oriented and less experience-oriented. These consumers regard convenience during shopping as the most important factor in purchase decisions, because they are time-constrained and do not mind buying products without touching or feeling them if they can save time in this way.

d) Bhatnagar, Misra and Rao (2000) measure how demographics, vendor/service/ product characteristics, and website quality influence the consumers. attitude towards online shopping and consequently their online buying behavior. They report that the convenience the Internet affords and the risk perceived by the consumers are related to the two dependent variables (attitudes and behavior) positively and negatively, respectively.

e) Research summarized by Emarketer (2005) showed that the Internet applied a bigger influence than for offline media for electronics compared to that clothing, beauty or home improvement as would be expected. Internet Marketing has changed the way people buy and sell good and service. It has added lot of convenience and easy to the whole process of buying. Internet buying prevalence is highest in
the United States, where 93% of Internet users have bought on-line (Business Software Association, 2002), and it is growing rapidly in India as well (www.ebay.com).

f) According to Lee and colleagues (2001), two main categories of perceived risk emerge in the process of online shopping. The first is the perceived risk associated with product/service and includes functional loss, financial loss, time loss, opportunity loss, and product risk. The second is the perceived risk associated with context of online transactions, and includes risk of privacy, security, and nonrepudiation. Among them, the influence of financial risk, product risk, and concern for privacy and security is significant (Senecal 2000; Borchers 2001; Bhatnagar et al.2002).

III. OBJECTIVES OF THE STUDY

The present study serves to explore the following research objective:

To study the gender wise difference in factors influencing purchase decision of customers towards online shopping.

Research Hypothesis

1. \( H_0 \): There is no gender wise difference in factors influencing pre purchase decision. 
\( H_1 \): There is gender wise difference in factors influencing pre purchase decision.

2. \( H_0 \): There is no gender wise difference in factors influencing on purchase decision. 
\( H_1 \): There is gender wise difference in factors influencing on purchase decision.

3. \( H_0 \): There is no gender wise difference in factors influencing post purchase decision. 
\( H_1 \): There is gender wise difference in factors influencing post purchase decision.

4. \( H_0 \): There is no gender wise difference in factors influencing other decision. 
\( H_1 \): There is gender wise difference in factors influencing other decision.

IV. METHODOLOGY

The 120 consumers of online shopping have been selected from Akola city for the present study by adopting random sampling technique. In order to study the factors influencing purchase decision of online consumers. To test the hypothesis independent sample t-test is applied using SPSS. To examine the gender wise differences in factor influencing purchase decision the independent sample t-test is chosen.

V. DATA ANALYSIS AND RESULTS

### Table 1: Group Statistics

<table>
<thead>
<tr>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Purchase Decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>53</td>
<td>2.6975</td>
<td>.83856</td>
<td>.11518</td>
</tr>
<tr>
<td>Female</td>
<td>67</td>
<td>4.6082</td>
<td>.33596</td>
<td>.04104</td>
</tr>
<tr>
<td>On Purchase decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>53</td>
<td>3.0528</td>
<td>.71592</td>
<td>.09834</td>
</tr>
<tr>
<td>Female</td>
<td>67</td>
<td>4.8209</td>
<td>.24155</td>
<td>.02951</td>
</tr>
<tr>
<td>Post purchase decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>53</td>
<td>1.7208</td>
<td>.59140</td>
<td>.08123</td>
</tr>
<tr>
<td>Female</td>
<td>67</td>
<td>4.2149</td>
<td>.62968</td>
<td>.07695</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>53</td>
<td>2.1038</td>
<td>.76232</td>
<td>.10471</td>
</tr>
<tr>
<td>Female</td>
<td>67</td>
<td>4.2836</td>
<td>.56073</td>
<td>.06850</td>
</tr>
</tbody>
</table>

### Table 2: Factors Affecting Online Shopping Behaviour on Purchase Decision of Consumers

<table>
<thead>
<tr>
<th>Levene’s Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levene’s Test for Equality of Variances</td>
<td>t-test for Equality of Means</td>
<td>95% Confidence Interval of the Difference</td>
</tr>
<tr>
<td>F</td>
<td>Sig.</td>
<td>t</td>
</tr>
<tr>
<td>Pre-Purchase Decisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>87.65</td>
<td>0.00</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Purchase decisions</td>
<td>63.80</td>
<td>0.00</td>
</tr>
</tbody>
</table>
There are two tables one group statistics which displays summary majors like number of respondents, mean, standard deviation, standard error, mean of the selected pre purchase variables. Table No. 2 presents the statistics that are critical to the research question. This table content two sets of analysis the first assume equal variances and second does not. The Levanies test decides which version of the t-test to report.

**HYPOTHESIS TESTING**

**Hypothesis 1**
For the pre purchase decision Levanies test of equal variance shows there is a significant violation of assumption that variances of two groups (Gender) are equal. Since the p value is 0.000. Hence we can conclude that variances of two groups are unequal. The t value for pre-purchase decision against equal variances not assume is 15.625 and its associated significant p value is (0.000). Hence we reject null hypothesis and accept the alternative hypothesis. There is gender wise difference in factors influencing pre purchase decision.

**Hypothesis 2**
For the on purchase decision Levanies test of equal variance shows there is a significant violation of assumption that variances of two groups (Gender) are equal. Since the p value is 0.000. Hence we can conclude that variances of two groups are unequal. The t value for pre-purchase decision against equal variances not assume is 17.221 and its associated significant p value is (0.000). Hence we reject null hypothesis and accept the alternative hypothesis. There is gender wise difference in factors influencing on purchase decision.

**Hypothesis 3**
For the post purchase decision Levanies test of equal variance shows there is a significant violation of assumption that variances of two groups (Gender) are equal. Since the p value is 0.000. Hence we can conclude that variances of two groups are unequal. The t value for pre-purchase decision against equal variances not assume is 22.290 and its associated significant p value is (0.000). Hence we accept null hypothesis and fail to accept the alternative hypothesis. There is no gender wise difference in factors influencing post purchase decision.

**Hypothesis 4**
For the other purchase decision Levanies test of equal variance shows there is a significant violation of assumption that variances of two groups (Gender) are equal. Since the p value is 0.000. Hence we can conclude that variances of two groups are unequal. The t value for pre-purchase decision against equal variances not assume is 17.420 and its associated significant p value is (0.000). Hence we reject null hypothesis and accept the alternative hypothesis. There is gender wise difference in factors influencing other decision.

**VI. CONCLUSION**
The study shows that there is gender wise difference in factors influencing pre purchase decision, on purchase decision and other decision but there is no gender wise difference in factors influencing post purchase decision. Online retailers need to ensure that the online shopping process in their websites is designed to be as easy, simple and convenient as possible for online consumers to shop online. With easy to use and user friendly websites, this will encourage buyers to make a purchase decision that may more likely return for repeat purchases. In addition, online retailers also need to ensure that they provide an efficient delivery service to their consumers. In addition, there is also a need for online retailers to develop a comprehensive privacy policy for their customers on the disclosure of personal information in order to lessen their concerns for privacy. The policy should clearly state that the information collected would be kept confidential and not shared or passed on to another party without their consent.
VII. REFERENCES


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