

# An Insight into the factors affecting customers' perception towards online shopping

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**ABSTRACT** *In the recent past Internet has made the life of customers prosper and smooth. Now-a-days people show their interest in purchasing the products online. So, this paper is an attempt to study customers' perception towards online shopping with the help of extensive review of literature. The idea of purchasing without leaving your convenient place is attracting many consumers. Online shopping offers really good deals and brings optimum convenience to the consumers. Moreover, the use of Internet tools for price searching and comparison provides an additional advantage in consumers' final decision, as their desired products can be purchased at the lowest available price. This article provides an insight in to the factors that affect the customers' perception towards online shopping. So, this article makes an attempt to see the changing attitude and perception of customers towards their online purchasing style instead of traditional style of shopping.*

**Key Words:** *Online shopping, Perception, Consumer Attitude, Customer, Internet.*

## Introduction

Online shopping has become very popular among the businessmen as well as the customers. This new inventive pattern of shopping not only brings enormous number and wide variety of products to consumers; it also offers a massive market and several business opportunities. In India, Internet Shopping trend is still in its Evolutionary phase. But now a day's increasing numbers of people are inclining towards more use of the internet due to the accessibility of technology, the availability of information online, convince of making order, delivery of products on their door steps, various offers and discounted price offers and the ability to interact. Internet is making online shopping more trendy among consumers. Better exposure of technology has enlarged the scenario of developing favourable attitudes of consumer towards this new shopping channel. In the past twenty years, India has witnessed the rapid development of the Internet and the geometric growth of the Internet users.

With nearly half of the Indian population being young and net savvy, there has been an amazing rise in the numbers of online shoppers. The recent growth in the mall culture in the country has in fact made consumers more conscious about different options and encouraged them to search and ultimately purchase online. Until recently, the consumers usually visit online to book hotel rooms and buy air, rail or movie tickets, books and gadgets but now more and more offline product like clothes, consumer durables are being purchased online. On the contrary, privacy and security have been the great concerns, resulting into many people to browse the Internet for informational matters than for buying online.

## Purpose and Significance of the Study

The main purpose of this study is to explore the factors affecting the consumers' perception towards online shopping. In this study, the drivers that contribute to influence the consumers' perception towards online purchasing are identified with the help of extensive review of literature and finally presented in a tabular form in order to extract the most studied factors by the various researchers.

## Developments in the review of Literature

Differences can be seen in the way online buying behaviour of the customers because of various consumer characteristics and the types of products and services preferred by them according to their tastes and preferences. Online shopping behaviour is not only affected by attitude of the consumer towards ease of use, usefulness of internet and enjoyment but also by other factors like Consumer individuality, Situational factors, Product distinctiveness, Previous online shopping understanding, Faith in online shopping. This section of the paper mainly discusses the extensive review of literature on the various factors explored by the various researchers so that important factors (most studied) could be identified to provide a base for the further studies in this area. Purnik, R. and Bansal, A. (2014) studied internet users' perception towards e-shopping and found that internet users' perceptions could help firms to recognize the internet users' needs and subsequently, relate the marketing policies/strategies/program to be applied. Study is of relevance to

both e-marketers and e-tailors, since it enables them to assess the features that specifically attract consumers to shop on the Internet. Badlani, K. M. (2010) found that there is no significant difference among the response of male and female students. This makes it very important that retailers study the behaviours of consumers and make changes in order to remain profitable and successful. The overall results demonstrated that the respondents have perceived online shopping in a positive manner. Changchit, C. (2006) supported that online businesses could make several adjustments and enhancements to their online presence to conform to the perceptions of their potential customers. The businesses can take advantage of these findings in an effort to boost online perceptions. Having awareness about the perceptions which drive consumers to pick and prefer one avenue of shopping to another allows businesses to better cater to consumers, thus helping them attract and keep hold of customers. Gwo-Guan, Lee Hsiu-Fen Lin, (2005) analysed the results and showed that the dimensions of web site design, reliability, responsiveness, and trust affect overall service quality and customer satisfaction. Moreover, the latter in turn are significantly related to customer purchase intentions. However, the personalization dimension is not significantly related to overall service quality and customer satisfaction. In the same year Shergill, S. G. (2005) found that website design, website reliability/fulfilment, website customer service and website security/privacy are the four dominant factors which affect consumer perceptions towards online shopping. The four types of online New Zealand buyers; i.e., trial, occasional, frequent and regular online buyers; perceived the four website factors differently. These buyers have different evaluations of website design and website reliability/fulfilment but similar evaluations of website security/privacy issues, which mean that security/privacy issues are important to most online buyers. Haq. Zai.ui. (2005) found that, for online buyers, the good perception on the customer service is considered as the best forecaster when compared to other constructs. Experience gained over time has impending repercussions for the other buying behaviour model and future research should be conducted in this area. In this study, it was found that few consumers were buying through online regularly.

Minjoon, J. et al (2004) confirmed that there was a strong and positive relationship between online retailers' service quality and their customer satisfaction Sultan, M. U., (2011) indicated that there is a quite strong negative correlation between age and attitude to on-line shopping, i.e. elderly people are not so keen to shop on-line. This will help online retailers to react and make strategies keeping in mind the different age brackets. Later on, Xia Liu Mengqiao He Fang Gao Peihong Xie, (2008) suggested that eight constructs namely information quality, web site design, merchandise attributes, transaction capability, security/privacy, payment, delivery, and customer service are strongly predictive of online shopping customer satisfaction, while the effect of response time is not significant. On the other hand, Jun. G., and Jaafer. N. I. (2011) confirmed that the perceived marketing mix and perceived reputation could affect the consumers' attitude of adopting online shopping. Later on Shilpa Bhagwat, (2015) revealed that various risk has significant negative impact on customers' attitude towards online shopping. It was further concluded that the age and income has great impact on the frequency of online buying behavior. It was found that with an increase in age perception of online risk will also increases, as a result older consumer will be less motivated towards online purchasing.

Jiradilok, T. et al (2014) showed that variety, website system quality, and tangibility have no influence on purchasing intention in customer's decision even though the respondents were quite satisfied with these dimensions. Javadi. M. H. et al (2012) examined some factors affecting the online Purchasing behavior of consumers. A conceptual model was used in order to assess the effects of variables on each other using regression analysis. Results of hypotheses testing indicated that financial risk and non-delivery risk has negative effect on attitude towards online shopping behavior. Karim Rashed, Al. (2013) discovered that respondents use internet to purchase products through online because they believe it is convenience to them and the term convenient includes elements such as time saving, information availability, opening time, ease of use, websites navigation, less shopping stress, less expensive and shopping fun. Banu, M. et al (2014) showed that online shopping was having very bright future in India. Perception towards online shopping is getting better in India. With the use of internet, consumers can shop anywhere, anything and anytime with easy and safe payment options. Consumers can do comparison shopping between products, as well as, online stores. Hsu, S. H. and Bavarsaihan, B. E. (2012) observed that consumer innovativeness, perceived benefits, and perceived risk are important factors having influence on consumer online shopping attitude and online shopping intention. This study found that consumer innovativeness had a positive impact on online shopping attitude. In the same year, Akbar, S. (2012) indicated that the 9 critical factors on B2C e-commerce can lead internet users to accept online shopping. The researcher suggests that e-retailers practice these 9 factors on their online business in order to have more Internet user become online

shoppers. Thompson, S. H. (2002) examined attitudes toward various aspects of online shopping and provides a better understanding of the potential of electronic commerce for both researchers and practitioners. Xiaoying, G. et al (2012) revealed that website design, security, information quality, payment method, e-service quality, product quality, product variety and delivery service are the factors which are positively related to consumer satisfaction towards online shopping in china. Lignell, A. (2014) explored older consumers’ adoption of online shopping with a qualitative research, and it was situated in the research tradition of hermeneutic phenomenology. Shakti, S. (2005) found that information, perceived usefulness, ease of use; perceived enjoyment and security/privacy are the five dominant factors which influence consumer perceptions of online purchasing.

Keeping in view all the findings of various researchers, a table is formulated to summarize the majority of the variable studied and frequency of the most studied variables affecting the customers’ perception towards online shopping.

**Table: Factors affecting Customers’ perception towards online shopping**

Factors:- SEC-Security, PR1-Privacy, RE-Reliability, RP-Responsibility, WD-Website design, ASS-After sale service, OQ-Overall quality, CON-Convenience, TS-Time saving, PR2- Payment risk, EL-Educational level, PV-Product variety, PC-Product cost, PE-Past experience															
Sr. No.	Author’s Name (year)	SEC	PR1	RE	RP	WD	ASS	OQ	CON	TS	PR2	EL	PV	PC	PE
1	Abdullah, A. S. (2014)	✓	✓						✓						
2	Akbar, S. (2012)	✓				✓		✓	✓						
3	Almoussa Moudi (2013)		✓			✓				✓	✓				✓
4	Badami, K. M.(2010)			✓			✓	✓	✓		✓	✓			✓
5	Banu, M. et al (2014)	✓	✓					✓		✓					✓
6	Bashir, Adil. (2013)				✓			✓							
7	Changchit, C. (2006)									✓					✓
8	Dash, Ajitabh. (2012)			✓						✓	✓		✓		
9	Goswami, A. et al (2013)						✓			✓	✓		✓		
10	Gurleen, K.(2012)								✓		✓		✓		
11	Gwo-Guan, Lee Hsiu-Fen Lin, (2005)			✓	✓	✓		✓				✓			
12	Haq, Zai, u	✓				✓	✓								
13	Hoque, M. E. (2014)				✓			✓							✓
14	Hsu, S. H. and Bavaresahan, B. E. (2012)	✓	✓					✓	✓		✓	✓	✓		
15	Javadi, M.H. et al (2012)								✓		✓				
16	Jradilok, T. et al (2014)		✓	✓		✓							✓		✓
17	Jun, guo, and Jafer, N.I. (2011)	✓	✓				✓								
18	Karim Rashed, Al (2013)	✓	✓					✓							
19	Liang, Yue. (2012)		✓			✓						✓			✓
20	Lignell, A.(2014)	✓				✓		✓					✓		✓
21	Mimoon Jun, et al (2004)			✓	✓			✓							
22	Miyazaki, Anthony, D. and Fernandez, Ana.(2001)	✓	✓												
23	Nasreen, V.N., and Rao, S.D., (2014),								✓		✓		✓		✓
24	Purnik, R. and bansal, alok,.(2014)			✓			✓			✓					✓
25	Rahman,Dr.M.S.,(2012)						✓	✓							
26	Rajesh, M. and Shothaman, G. (2013)									✓	✓				-

**Factors:- SEC-Security, PR1-Privacy, RE-Reliability, RP-Responsibility, WD-Website design, ASS-After sale service, OQ-Overall quality, CON-Convenience, TS-Time saving, PR2- Payment risk, EL-Educational level, PV-Product variety, PC-Product cost, PE-Past experience**

Sr. No.	Author’s Name (year)	SEC	PR1	RE	RP	WD	ASS	OQ	CON	TS	PR2	EL	PV	PC	PE
27	Saprkis, V. et al (2010)							✓	✓	✓				✓	
28	Schaupp, C.,( 2005)	✓	✓	✓		✓		✓	✓				✓		
29	Shakti, S., (2005)	✓						✓	✓	✓	✓				
30	Sharma, R., Mehta, K., and Sharma, S. (2014)	✓	✓	✓		✓	✓	✓	✓	✓			✓	✓	✓
31	Shergill, S. G. (2005)	✓	✓	✓		✓		✓							
32	Shilpa Bhagwat. (2015)							✓		✓				✓	
33	Shwu-Ing Wu (2013)	✓				✓		✓	✓						
34	Sylvie laforet Xiaoyan Li,(2005)	✓								✓					✓
35	Sultan, M. U.(2011)							✓	✓	✓					
36	Thompson S.H,Teo. (2002)	✓	✓					✓			✓			✓	
37	Trong, H. V. (2014)	✓	✓			✓	✓								
38	Wang, T. L. et al (2011)						✓								
39	Xia Liu Mengqiao et al (2008)	✓	✓			✓		✓			✓				
40	Xiaoying, G., Ling, K. C., and liu,mm. (2012)	✓	✓			✓		✓			✓	✓	✓		✓
26	Rajesh, M. and Shothaman, G. (2013)	21	17	10	4	15	6	20	12	9	15	6	12	4	12

It is clear from the table that out of the 14 factors identified over here, security is the most studied factor by majority of the researchers which influences the customers’ perception towards online shopping followed by Overall quality, Privacy, Website Design and Payment Risk respectively. Responsibility, Product Cost and educational level are the least studied variables.

### Conclusion

With the development of Internet, online shopping is developing rapidly all over the world as a new way for shopping. Therefore, it is important to identify the factors having influence on the customers' perception towards online shopping. Our findings indicated that out of the 14 factors identified over here, security is the most studied factor by majority of the researchers which influences the customers' perception towards online shopping followed by Overall quality, Privacy, Website Design and Payment Risk respectively. Responsibility, Product Cost and educational level are the least studied variables. Findings of this research could help the researchers to take up the empirical research by considering the factors identified in this study in order to have a deep insight of customers' perception towards online shopping and consequently, analogous marketing policies could be applied, as the better understanding of online consumer behaviour, the more gainful a firm could be on the unlimited market of online shopping.

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