

Factors Affecting Purchase Intention of Online Customers of Vadodara City of Gujarat State

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Abstract

E-Commerce has emerged as a new form of doing business. Many small and large organisations have started adopting e-Commerce for doing their business. Some organisations have developed their websites or internet applications which help them to do business. While some organisation has to join e-tailer to carry on the business activates and expand their market. The present study had attempted to identify factors affecting the purchase intention of the consumer when they go or online shopping. The study was conducted with an objective to know the items preferable to be purchased online, recognize the source that motives online purchase, factors facilitating online purchases, identify barriers or risks for online purchases, and preferred payment method while making online purchases. The study is useful for business organisation and e-tailer as it portrays the features which are considered important and exercise frequently by online shoppers. Incorporating these features while doing e-business will ensure business organisation having more customers through usage of internet.

Keywords: Online shopping, Shopping behaviour, Purchase intention, E-commerce, Perceived risks

Introduction

People all around the world are using internet for different purposes. Some use it for recreational and entertainment purposes (Ganesh, Reynolds, Luckett & Pomirleanu, 2010), some for fulfilling their basic requirements, some for connecting with people, and some for developing businesses. Many websites and other internet applications have come up offering different types of products to internet users. E-Commerce has changed the way of doing business in this modern world. Consumers now can easily compare and evaluate different alternatives at their convenience and expertise with the usage of e-Commerce sites (Geissler & Zinkhan, 1998). People prefer to purchase a product online as they find it time-efficient, can easily avoid the crowd, and can purchase at any time (Karayanni, 2003). The use of e-Commerce sites is examined to be based on the adoption of technology, recommendation, and promotion done by e-tailers adopting different media.

Users with just a click of a button see different types of products, have information about the product, and can easily purchase a product that is delivered to the doorstep by accessing different options available on the e-Commerce site. These features of the e-Commerce site had provided convenience and encourage them to do purchase using it. With the benefits of purchasing items, there is also a risk associated with online purchases which include unauthorized use or hacking of personal details collected by different e-Commerce sites. Customers are conscious when they share details which include mobile number, residential or office address, email id, name, birth date, bank account number, credit card details, etc. Security of this data collected by e-Commerce sites highly related to the trustworthiness and future intention for the use of particular e-Commerce sites.

The present study was conducted to identify the behaviour of an online customer. For this purpose, it is divided into six sections. The first section of the study is of introduction, followed by the second section of the literature review which shows cases views on selected literature. The third section displays the objectives of the study followed by the fourth section which explains the research methodology adopted for the study. The fifth



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section exhibits an analysis of the data followed by the Sixth section of the conclusion.

Review of Literature

Shoppers access those shopping sites or applications which provide easy and quick access to information, comparison of products, and are found simple in completion of different processes for giving the order. Grewal and Levy (2007) had discussed the impact of web design on the behaviour of a consumer. Thus, while designing the website e-tailers should take care of making web site enough attractive and easy to operate which assure shoppers stay and explore their shopping site. Ganesh et al., (2010) suggested the organisation design an attractive website for enhancing shopper's experience. Website design characteristics, such as aesthetics, the structure of content or store layout, menu naming, and arrangement of hyperlinks highly affect the experience of people. A well-designed navigational structure facilitates consumers' perceptions of online control and enjoyment (Yang, Jun & Peterson, 2004). When people browse an e-tail website without any purchase intention, the presence of an organized, legible, and easy-to-follow website leads to a positive attitude towards the website for future use (Wang, Minor & Wei, 2011). Yang et al. (2004) identified reliability, responsiveness, competence, ease of use, security, and product portfolio as online service quality constructs affecting overall service quality and satisfaction of customers towards any online websites. While Doshi (2019) examined factors like conveyance, product, discounts and schemes, time convenience, payment method, safety, and after-sales services affecting the satisfaction of online shoppers.

Some researches show a difference in use intention based on the gender of the users. They examined male users doing more purchases through the internet than females (Garbarino and Strahilevitz, 2004; Korgaonkar and Wolin, 1999; Slyke, Belanger & Comunale, 2002). While the study of, Herná'ndez, Jiménez & Martín (2011) did not observe any impact of age, gender, or income on buying behaviour of e-shoppers. Javadi, Dolatabadi, Nourbakhsh, Poursaeedi, and Asadollahi (2012) in their study witness the positive impact of family members, friends, and peers' online experience and suggestions; early adopter of technology and products, on buying behaviour

of consumers while the negative impact was observed for the perceived risk of losing money and financial details, non-delivery of order on attitude toward online shopping.

The Objective of the Study

The prime objective of the study is to identify the behaviour of an online customer. This objective is further divided into the sub-objective:

1. To know the most preferable item that is purchased online.
2. To know the frequency of online purchases (in a year).
3. To identify the amount that people spent during a single online purchase.
4. To recognize the source that motivates the people for making online purchases.
5. To diagnose factors facilitating online purchases.
6. To identify barriers or risks for online purchases.
7. To know the preferred payment method while making online purchases.

Research Methodology

The researcher had use explorative and descriptive research design for conducting a research study and the data were collected using convenient sampling method. The structured non-disguised questionnaire was put to use for collecting data from 70 respondents, who were convenient drawn from Vadodara city of Gujarat State. The questionnaire for the purpose consists of 15 questions. Six questions of the questionnaire are designed to collect the demographic details about gender, age, marital status, education, occupation, and average family income of the respondents. Remaining eight questions are designed to collect the responses which identify factors that motivated respondents for online shopping, items preferred by respondents to shop online, frequency of online purchase during the year, amounts spend on single online purchases, factors facilitating online purchases, factor influencing the decision for purchase of a particular product online, barriers or risk for purchase online and preferable payment method adopted for online purchases. Different type of Likert scale was adopted to collect responses for these nine questions. Table 1 displays the responses of the demographic detail of the respondents.

Parameters		Responses	Percentage
Gender	Male	28	40
	Female	42	60
	Total	70	100
Age	Below 18	3	4.29
	18-30	51	72.86
	31-40	11	15.71
	41 and above	5	7.14
	Total	70	100
Marital Status	Married	28	40
	Unmarried	42	60
	Total	70	100
Education	Under Graduate	18	25.71
	Graduate	19	27.14
	Post Graduate	28	40
	Professional	5	7.14
	Total	70	100
Occupation	Business/ Self-employed	16	22.86
	Service/executive	13	18.57
	Student	30	42.86
	Other	11	15.71
	Total	70	100
Average Family Income	Less than 10000	5	7.14
	10000-20000	22	31.43
	20000-30000	17	24.29
	More than 30000	26	37.14
	Total	70	100

Source: Authors' calculations

Table 2 displays the preference of items which people prefer to by online. From the table, it is examined that clothes were the most preferred item for online purchases followed by electronic gadgets and booking of airplane/railway/bus tickets. While

purchasing a magazine, infant and child items, and medicines were the least purchased items. This shows that these items can be promising markets for different e-commerce sites.

Sr. No.	Items	Responses	Percentage
1	Books	24	34.29
2	Clothes	43	61.43
3	Computer Products	8	11.43
4	Cinema Ticket	20	28.57
5	Sporting goods	8	11.43
6	Medicines	5	07.14
7	Airplane/Railway/Bus tickets	30	42.86
8	Groceries	10	14.29
9	Household / Furniture	11	15.71
10	Toys	15	21.43
11	Jewellery	16	22.86
12	Magazines	1	01.43
13	Health & fitness products	7	10.00
14	Cosmetics	20	28.57
15	Electronic gadgets	35	50.00
16	Gifts	18	25.71
17	Infant/child items	4	05.71
18	Foods	24	34.29

Source: Authors' calculations

Table 3: Frequency of Purchasing a Product (Yearly)

Sr. No.	Frequency	Responses	Percentage
1	Once	9	12.86
2	2-4 times	34	48.57
3	5-10 times	18	25.71
4	More than 10 times	9	12.86
Total		70	100.00

Source: Authors' calculations

Availability of diverse e-Commerce site which deals in a different type of products has provided options to the shoppers to purchase using e-Commerce sites. Table 4 exhibits the frequency of yearly online purchases. 48.57 percent of respondents purchase two to four times in a year from

a different e-Commercesite. It is also observed that people do nearly spend up to 30000 rupees on a single online purchase. Table 5 demonstrates the amount spend by respondents on a single purchase.

Table 4: Amount Spend on Single Purchase

Sr. No.	Amount	Responses	Percentage
1	Less than 1000	32	45.71
2	1000-3000	22	31.43
3	3000-5000	3	4.29
4	More than 5000	13	18.57
Total		70	100.00

Source: Authors' calculations

Data Analysis

Reliability of the questionnaire was measured using Cronbach's alpha coefficient equivalent to the average of all the split-half correlation coefficients (Cronbach, 1951). Cronbach's alpha for 42 items of the questionnaire was found to be 0.800, which showed internal reliability of the scale, and reflected the degree of cohesiveness amongst the selected items (Malhotra, 2007). The normality of the data was tested using a Shapiro-Wilk test at a 5 percent significant level. The P-value of the data collected was

examined to be 0.317 which was more than 0.05. This helps us to reject the null hypothesis in favour of alternative which states that collected data was normally distributed.

Importance of each item of the questions namely factors facilitating online purchases; factor influencing the decision for purchase of a particular product; barriers or risk for online purchases and; preferable payment method, were measured through mean and mode (measures of central tendency).

Table5: Factors Motivating Online Purchases

Sr. No.	Parameters	Mean	Mode
1.	Recommended by family	2.59	3
2.	Recommended by friends	2.97	4
3.	Online review	3.03	3
4.	Newspaper review	2.24	1
5.	Experience	2.74	4

Source: Authors' calculations

Table 6 demonstrates the result of a central tendency for factors motivating online purchases. The question was designed to identify, which factors among the stated in table 6 played a major role in motivating people to do online shopping. For the purpose responses were collected in 4 points Likert scale which ranges from '4' many to '1' never. From the mean vale it is observed that all the factors except newspaper played important role in motivating

people to go for online purchases. Majority of the people were found taking note of online review about the product before purchases. While, from model value it is examined that recommendation of friends and experience of online purchase played a significant role in the future purchase intention followed by recommendation by family members and online review of product.

Table 6: Factors Facilitating Online Purchases

Sr. No.	Parameters	Mean	Mode
1	Can Purchase using a different electronic device (Computer/Tab/Mobile etc.)	3.99	4
2	Home delivery option is available	4.67	5
3	Can shop at any time	4.36	5
4	Online shopping saves time	4.31	5
5	Superior selection of products are available	3.90	4
6	It is easy to compare products	4.24	4
7	It is easy to return the product	3.91	5
8	It is easy to get a refund of money	3.79	4
9	Provides good discounts	3.94	4
10	Provides good cash back facilities	3.99	4
11	Online shopping providesa good guarantee	3.53	4
12	Online shopping providesa good warranty	3.51	4

Source: Authors' calculations

Factors facilitating online purchases are revealed in table 7. Twelve statements were frame and responses were collected using a five-point Likert scale ranging from '5' strongly agree to '1' strongly disagrees. From the mean value displayed in the table, it was observed that home delivery, facility to shop at a convenient time, saving time in shopping and comparing the product considered important factors that facilities online shopping. As people do

not have to move out, and information and other details are readily and easily available by searching different websites, these factors played an important role in facilitating the online purchase. From the model value, it is examined that the majority of people strongly agree for the factors, home delivery options, convenience of shopping at any time, saving time in shopping and ease in return of product playing important role in purchasing a product online.

Sr. No.	Particulars	Mean	Mode
1	Brand	4.53	5
2	Quality	4.66	5
3	Price	4.36	5
4	Visual representation of the product	4.27	5
5	Information about the product	4.37	5
6	Reviews of customers	4.09	5

Source: Authors' calculations

From the previous studies, it is identified that people purchases a product based upon the brand image, quality, price, visual representation, information and reviews of customers. Table 8 shows the influence of these factors on online purchases. The influence was examined using five points Likert scale ranging from '5' most important to '1'

unimportant. From the mode value in the table, it is examined that all the factors are considered equally important for an online purchase by the respondents. The mean value determines that among all, quality of product and the brand plays an important role in selecting a particular product for online purchases.

Sr. No.	Particulars	Mean	Mode
1	Like to purchase from familiar person.	3.67	4
2	Enjoy going out for shopping	3.79	4
3	Like to see/touch the product in personal, before I buy it	4.07	5
4	I am worried about the cost of the product	3.67	4
5	I am worried about the hassle of returning the product	3.69	4
6	Delivery costs are too high	3.50	3
7	I find difficult to search product online	2.94	4
8	I don't like to provide personal information	3.33	3
9	I am worried about giving my credit/debit card details	3.66	5
10	I don't have credit card	2.97	4
11	Product information are inadequate	3.19	3
12	Product are not delivered on time	3.01	3
13	Delivery of product is not time convenient	3.00	3

Source: Authors' calculations

Table 9 showcase thirteen statements determining barriers or risk for online purchases. Barriers or risk was measure using a five-point Likert scale ranging from '5' strongly agree to '1' strongly disagrees. From the mean value, it is observed that people do not find difficult to search the product online, and not having a credit card was also not a problem while doing purchases. This infers that people can easily search for products using the internet and majority of the website provide a different mode of payment which was accessed by the online shopper while shopping for the product.

Mode values of the table demonstrate that majority of customers do not bother and so do not think delivery cost, giving personal information, inadequate product information, delay in delivery and inconvenient delivery time of a product, an issue in purchasing a product. The reason for not bothering about delivery cost, may be due to not purchasing a product when it is not delivered free of cost or the customer not having an idea about the delivery cost charged by others for the delivery of the product.

Giving personal information is not considered a barrier when customers are not concern about the privacy issue. Customers also found product information given on the website quite adequate to facilitate them to purchase a product. They have also not observed any delay and were convenient with the delivery time offered by different e-Commerce sites as in India people still live in a joint family or have some members at home who can accept the product at any time.

Sr. No.	Particulars	Mean	Mode
1	Credit card/ debit card	2.71	3
2	Cash on delivery	3.47	4
3	EMI	1.73	1
4	Net banking	1.96	1
5	Mobile wallets	2.04	1

Source: Authors' calculations

Table 10 exhibits payment methods adopted for doing online purchases. Responses were collected using a four-point Likert scale ranging from '4' frequently, '3' sometimes, '2' rarely and, '1' never. From the table, it is inferred that majority of the people go for cash on delivery option for purchasing followed by payment made through credit and debit card, and mobile wallets. Shoppers were found hardly using net banking payment options compared to the other given options. As seen earlier, the majority of the respondent made a single purchase up to rupees 3000 and hence we see fewer people accessing the option of EMI ie. payment to be made in installments.

Conclusion

There is a constant increase in online purchases, the recommendation from friends and experience of the users have played important role in future use/intention of a particular e-Commerce site. Shoppers were examined give more importance to the feature which makes shopping sites accessible 24x7 and features which made shopping time savvy. Home delivery of the product and easy return policies were the two facilities that were perceived as important for the increase in the use of the e-Commerce site. Customers of e-Commerce sites were still observed hesitating to give credit/debit card details and thus preferred to buy through cash on delivery options.

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