



A STUDY ON FACTORS INFLUENCING CONSUMERS' WEB BASED SHOPPING IN COIMBATORE

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Abstract

Web-site becomes the essence of online business as to show their services and products. It brings new lane to promote, advertise products and services in market. Consumers use the web-sites not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product through a particular web-site. The exploratory factor analysis shows that website design, website reliability, website consumer service and website privacy are the factors influencing consumers' web based shopping. The regression analysis indicates that website reliability, website consumer service, website privacy and website design have positive and significant impact on purchasing decision of consumers through websites. The findings show that each of the four website factors identified has an important influence on all web based shopping behaviour of consumers. Therefore, the websites should provide reliable information logically so as to help consumers in assertive and quick decision making. In addition, the websites should use high security system that could make more secure transactions through websites.

Key Words: Consumers, Exploratory Factor Analysis, Regression, Web based Shopping.

INTRODUCTION

The emergence of Internet as a marketing channel has immensely changed the way firms compete. Today, the market reach has broadened globally and with a technology as affordable as the Internet firms may enjoy better profitability much quickly than before. Nevertheless, the promise of fast growth and wider market reach however, could be achieved if the firm able to differentiate itself vis-a-vis its competitors at the global marketplace. Internet is also changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon.

Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market. Websites based consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The website is the best way to save time and money through purchasing online within their range of budget at home or in anywhere.

Many companies have started using the Internet or websites with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the websites to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with consumers (Shergill and Chen, 2005). Consumers also use the websites not only to buy the product online, but also to compare product features and after sale service facilities they will receive if they purchase the product through a particular website.

One of the ways to gain a competitive edge in the Internet channel is by offering value adding services, as and how the consumers want them. Understanding consumers' preferences of website features that attract them to visit and factors that induce retention is critical to enable appropriate design of the marketing campaign and responses (Ab Hamid, 2008). With this background, the present study is attempted to identify the factors influencing consumers' web based shopping in Coimbatore.

Methodology

Among the different cities in Tamil Nadu state, Coimbatore city has been purposively selected for the present study. 300 consumers have been selected by adopting random sampling technique through pre-tested and structured questionnaire and the data and information pertain to the year 2014-2015. In order to understand socio-economic features of consumers, frequency and percentage analysis are carried out. In order to identify the factors influencing consumers' web based shopping, exploratory factor analysis has been employed. In order to examine the impact of factors influencing consumers' web based shopping on purchasing decision, multiple linear regression has been applied.



Results and Discussion

Socio-Economic Features of Consumers

The socio-economic features of consumers were analyzed and the results are presented in Table-1. The results show that about 61.33 per cent of consumers are males, while, the rest of 38.67 per cent of consumers are females. It is observed that about 43.00 per cent of consumers belong to age group of 21-30 years followed by 15-20 years (23.00 per cent), 31-40 years (15.33 per cent), 41-50 (10.67 per cent) and above 50 years (8.00 per cent).

The results indicate that about 40.00 per cent of consumers are graduates followed by post graduates (32.67 per cent), higher secondary (16.00 per cent) and secondary (11.33 per cent). It is clear that about 38.00 per cent of consumers are working in private sector followed by Government sector (22.00 per cent), students (18.33 per cent), business (14.00 per cent) and retired (7.67 per cent). The results reveal that about 32.00 per cent of consumers belong to the monthly income group of Rs.20,001 – Rs.30,000 followed by Rs.30,001 – Rs.40,000 (28.67 per cent), more than Rs.40,000 (16.33 per cent), Rs.10,001 – Rs.20,000 (14.00 per cent) and less than Rs.10,000 (9.00 per cent).

Table 1, Socio-Economic Features of Consumers

Demographic Profile	Frequency	Percentage
Gender		
Male	184	61.33
Female	116	38.67
Age Group		
15-20 years	69	23.00
21-30 years	129	43.00
31-40 years	46	15.33
41-50 years	32	10.67
Above 50 years	24	8.00
Educational Qualification		
Secondary	34	11.33
Higher Secondary	48	16.00
Graduation	120	40.00
Post Graduation	98	32.67
Occupation		
Business	42	14.00
Government Sector	66	22.00
Private Sector	114	38.00
Retired	23	7.67
Students	55	18.33
Monthly Income		
Less than Rs.10,000	27	9.00
Rs.10,001 – Rs.20,000	42	14.00
Rs.20,001 – Rs.30,000	96	32.00
Rs.30,001 – Rs.40,000	86	28.67
More than Rs. 40,000	49	16.33

Factors Influencing Consumers' Web Based Shopping

In order to identify the factors influencing consumers' web based shopping, exploratory factor analysis has been employed. The principal component method of factor analysis was carried out with Eigen values greater than one through Varimax Rotation and the results obtained through rotated component matrix are presented in Table-2. The results of Kaiser-Meyer-Olkin (KMO test) measure of sampling adequacy (KMO = 0.869) and Bartlett's test of Sphericity (Chi-square Value = 0.0012; Significance = 0.000) indicate that the factor analysis method is appropriate.

Four independent factors are extracted accounting for a total of 73.54 per cent of variations on 14 variables. Each of the four factors contributes to 24.92 per cent, 19.14 per cent, 16.03 per cent and 13.45 per cent respectively.



Table 2, Factors Influencing Consumers' Web Based Shopping

Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
I	I feel comfortable in surfing this web site	0.68	1.57	24.92	Website Design
	This website understands my needs	0.66			
	This site has competitive prices	-0.62			
	The website provides in-depth information	-0.67			
	It is quick and easy to complete a transaction at this website	0.69			
II	The product is delivered by the time promised by the company	0.67	1.34	19.14	Website Reliability
	The product that comes is represented accurately by the website	-0.63			
	I get what I order from this website	0.65			
III	My inquiries are answered promptly	0.68	1.25	16.03	Website Consumer Service
	When I have a problem, the website shows a sincere interest in solving it	0.64			
	The company is willing and ready to respond to my needs	0.62			
Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
IV	This website has adequate security features	0.61	1.03	13.45	Website Privacy
	I feel that my privacy is protected at this site	0.65			
	I feel safe in my transactions with this website	0.63			
	Cumulative % of Variation	-	-	73.54	-
	Cronbach's Alpha	-	-	-	0.89

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 7 iterations.

Factor - I: From the results, it is inferred that out of 14 variables, five variables have their high, relatively tightly grouped factor loadings on factor - I. This factor consists of:

- I feel comfortable in surfing this web site (0.68)
- This website understands my needs (0.66)
- This site has competitive prices (-0.62)
- The website provides in-depth information (-0.67)
- It is quick and easy to complete a transaction at this website (0.69)

Hence, this factor is named as **“Website Design”**.

Factor - II: is formed with:

- The product is delivered by the time promised by the company (0.67)
- The product that comes is represented accurately by the website (-0.63)
- I get what I order from this website (0.65)

These variables are named as **“Website Reliability”**.

Factor - III: This factor includes:

- My inquiries are answered promptly (0.68)
- When I have a problem, the website shows a sincere interest in solving it (0.64)
- The company is willing and ready to respond to my needs (0.62)

These variables are named as **“Website Consumer Service”**.



Factor - IV: This factor is formed with:

- This website has adequate security features (0.61)
- I feel that my privacy is protected at this site (0.65)
- I feel safe in my transactions with this website (0.63)

This factor is named as “**Website Privacy**”.

The Cronbach’s Alpha of the scale was 0.89 indicating that each measure demonstrated acceptable internal consistency. It is inferred that website design, website reliability, website consumer service and website privacy are the factors influencing consumers’ web based shopping.

Impact of Factors Influencing Consumers’ Web Based Shopping On Purchasing Decision

In order to examine the impact of factors influencing consumers’ web based shopping on purchasing decision, multiple linear regression has been applied and the results are presented in Table-3. The factors influencing consumers’ web based shopping extracted through exploratory factor analysis are considered as independent variables and purchasing decision is considered as dependent variable.

Table 3, Impact of Factors Influencing Consumers’ Web Based Shopping On Purchasing Decision

Factors Influencing Consumers’ Web Based Shopping	Regression Co-efficients	t-Value	Sig.
Intercept	1.174**	3.756	.000
Website Design (X ₁)	.396**	3.684	.001
Website Reliability (X ₂)	.462**	3.592	.000
Website Consumer Service (X ₃)	.457**	3.585	.000
Website Privacy (X ₄)	.435**	3.617	.001
R ²	0.67	-	-
Adjusted R ²	0.65	-	-
F	11.457	-	0.00
N	300	-	-

Note: ** Significance at one per cent level

The results indicate that the coefficient of multiple determinations (R²) is 0.67 and adjusted R² is 0.65 indicating that the regression model is good fit. It is inferred that about 65.00 per cent of the variation in dependent variable (Purchasing Decision) is explained by the independent variables (Factors Influencing Consumers’ Web Based Shopping) under social media context. The F-value of 11.457 is statistically significant at one per cent level indicating that the model is good fit.

The results show that website reliability, website consumer service, website privacy and website design have positive and significant impact on purchasing decision of consumers at one per cent level. Therefore, the null hypothesis of there is no significant impact of factors influencing consumers’ web based shopping on purchasing decision is rejected.

CONCLUSION

The present study reveals that majority of consumers are males and most of them belong to age group of 21-30 years. Majority of consumers are graduates and most of them are working in private sector. Besides, majority of consumers belong to the monthly income group of Rs.20,001 – Rs.30,000. The exploratory factor analysis shows that website design, website reliability, website consumer service and website privacy are the factors influencing consumers’ web based shopping.

The regression analysis indicates that website reliability, website consumer service, website privacy and website design have positive and significant impact on purchasing decision of consumers through websites.

The findings show that each of the four website factors identified has a important influence on all web based shopping behaviour of consumers. Therefore, the websites should provide reliable information logically so as to help consumers in assertive and quick decision making.



The websites should use high security system that could make more secure transactions through websites. This way consumer will tent to develop faith and trust in the website for making purchase. Furthermore, to gain consumer trust, websites need to increase brand reputation, as the company's reputation is associated with the services company provide. Moreover, websites selling products or various companies should provide the warrantee to its consumers.

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