

# A STUDY OF ONLINE SHOPPING WEBSITE CHARACTERISTICS AND ITS IMPACT ON CONSUMER INTENTION TO PURCHASE ONLINE IN CHENNAI

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**Abstract** - *The purpose of this study is to find the online website characteristics and its impact on consumer intention to purchase online in Chennai. This study has different variables of website characteristics like person interactivity, physical telepresence, social telepresence and perceived behavioral control which will describe about the consumers thought towards online purchasing, which also inturn builds consumer attitude and trust towards their intention towards online purchasing or shopping.*

**Key Words:** *Online purchasing, Website characteristics, Trust, Intention, Person interactivity, consumer behaviour.*

## Introduction:

In the light of today's recession and competitive pressures in the business-to-consumer (B2C) web commerce arena, vendors face significant problems in converting their site visitors into real customers and, eventually, loyal patrons. The great challenge to the web merchants, therefore, goes beyond attracting customers to their websites. Web stores need to create a compelling web site that will entice potential customers to actually purchase products from them. Online shopping can be a smart consumer's best friend, with the ability to easily comparison shop, search for discounts and make purchases with a few mouse clicks. We could always visit shopping comparison sites, such as amazon, snapdeal, flipcart, ebay etc or search for coupon codes at one of many code-aggregators. Jifeng Luo, Sulin Ba and Han Zhang, 2012 (11) , electronic commerce has grown rapidly in recent years. However, surveys of online customers continue to indicate that many remain unsatisfied with their online purchase experiences. Clearly, more research is needed to better understand what affects customers' evaluations of their online experiences. Boudhayan Ganguly and Satya Bhusan Dash, 2009(3), these are some website characteristics which are most frequently found in the literature. This includes Information design, navigation design, visual design, privacy, security, communication and social presence of the website. Gurvinder S Shergill ,2005(8) conducts his study in New Zealand. He states that the growing use of

Internet provides a developing prospect for E-marketers. If E-marketers know the factors affecting online buyers' behavior, and the relationships between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existent online customers. In our study also we find the relationship between the factors of website characteristics and consumers behaviour towards online shopping.

## Research Objective:

- To study the characteristics of online shopping websites.
- To examine the relationship between online shopping website characteristics and consumers intention to purchase online.
- To find the relationship between the attitude ,trust and consumer Intention to Purchase Online.
- To find the relationship between online shopping website characteristics , attitude and trust in online shopping.

## Research Methodology:

According to Sandra Harding " A research method is a technique for ( or a way of proceedings in) gathering evidence and information" or methods or techniques that are used for conduction for research. Methodology is a theory and analysis of how research does or should proceed or way to systematically solve problem.

## Sample Size & Formation Of Questionnaire:

From the total population of Chennai, 350 respondents were chosen as sample size for the study and the data is collected through a Structured Questionnaire. Based on the related literatures and our previous studies, we designed a questionnaire. We used Likert scale of 1-5 with end points of –strongly disagree|| and –strongly agree|| to measure these items. The questionnaire was laid out in the following sequence,

- Demographics including age, educational qualification, income.

- Person Interactivity
- Physical Telepresence
- Social Telepresence
- Perceived Behavioral Control
- Attitude in online Purchasing
- Trust in Online Purchasing
- Intention to purchase Online

The nature of this study is exploratory and descriptive because both primary and secondary data have been used. Primary data is collected from respondents and secondary data is collected from journals, books and websites.

### Sampling Design

The sample size of this study is 320. It is due to the large population and keeping in mind the sample size is restricted. While developing the sample design for this research study the following points have been considered. In this research study the universe is of infinite size which includes the respondents of Chennai. For conducting this research study, the method of probability or random sampling has been used where the sample has been selected on random basis.

Stratified sampling and Simple random sampling are the two sampling methods used in this study.

#### Stratified sampling:

Stratified sampling refers to a type of sampling method. With stratified sampling, the researcher divides the population into separate groups, called strata. Then, a probability sample (often a simple random sample) is drawn from each group. Stratified sampling has several advantages over simple random sampling.

#### Simple random sampling:

Simple random sampling is a basic type of sampling, since it can be a component of other more complex sampling methods. The principle of simple random sampling is that every object has the same probability of being chosen.

#### Sample size:

For this study 320 respondents are the sample size of the research. The 320 respondents were from Chennai City.

### Review Of Literature:

Nichaya Suntornpithug, 2010 (14), this study states that the relative influence of machine interactivity and person interactivity on intention to purchase online. It also identifies two dimensions of interactivity (machine interactivity and person interactivity) as key underlying

factors behind the potential success of Web commerce design. The great challenge to the Web merchants, therefore, goes beyond attracting customers to their Web sites. Web stores need to create a compelling Web site that will entice potential customers to actually purchase products from them.

Na Li and Ping Zhang, 2002 (13), According to him targeting more appropriate consumer groups, improving product and/or service quality, and improving website quality can positively influence consumer attitudes and behavior, potentially leading to increased frequency of initial purchase and repeat purchases on the part of consumers.

Jifeng Luo, 2012 (11), This study makes several important contributions to the research literature on online customer satisfaction. This study empirically investigates the impact of product uncertainty and retailer visibility on a consumer's evaluation of online purchase experience using real-world observations. The data comes from real consumers based on their real transaction experiences. This gives the results of our study more generalizability than studies using subjects who are not asked to engage in real transactions.

#### Person Interactivity:

In the online context, person interactivity, therefore, can be defined as the degree of social interconnectedness between customers and other participants, including salespersons and other customers, in the communication process through an online medium. Dyson states that an interaction with humans is involved with giving and getting attention and feedback from salespersons, friends and colleagues, Dyson, 1993.

Rheingold, 1993, states that the structural view of interactivity believes that the concept of interactivity is a property of the medium itself (for instance, the ability to provide immediate two-way communication).

Hoffman and Novak's, 1996 (9), for example, focused on the commercial application of the World Wide Web which involved both human-to-human interaction via the computer and human-to-computer interaction. These two types of interactions concerned not only a user trait and a medium trait, but also some explicit content as well as an overall process of the interaction.

#### Physical and Social Telepresence:

Steuer, 1992, p.76, (15) defines telepresence as "the natural perception of an immediate environment" and telepresence as "the mediated perception of an environment" via the Internet. Two types of telepresence

are physical telepresence and social telepresence, Jeandrain 2001(10).

Physical telepresence occurs when customers perceive they are transported into the environment defined by the message or information on the Web. This experience allows the customers to focus on an environment created by the Web merchants on the Internet and feel that the virtual environment with which they are interacting is more real and dominate the actual physical environment (Barnes 1975).

#### **Perceived Behavioural Control:**

Perceived behavioral control represents an intrinsically motivating aspect of human-computer interactions. It refers to the level of confidence customers have in their ability to control their online shopping process. Perceived behavioral control reflects: 1) the perceived control over access to descriptions of products/ services (information search); 2) perceived control over the access to interpersonal communications; 3) perceived control over the acquisition and purchasing processes; and 4) perceived control over the access that Web stores have over their personal information during online navigation process by taking into account past experiences and expected obstacles with the behavior, Hoffman et al. 1999 (9).

Buxton, 1992 (4) suggests that the creation of a sense of social telepresence of remote persons in real time is important in building confidence among conversational partners. He asserts that online communication should be encouraged to imitate face-to-face meetings because in such an environment, group members are able to observe each other's eye contact and facial expressions, and gestures.

#### **Attitude towards Online Purchasing:**

Attitude towards online purchasing defines attitudes toward online purchasing as the degree to which a person has favorable or unfavorable evaluations/appraisals of the online purchasing (Jarvenpaa et al. 2000).

Customers' beliefs in these benefits in combination with their favorable evaluations of these aspects can encourage them to develop positive attitudes toward online purchasing with particular Web merchants. Several studies have found a positive relationship between machine interactivity and attitudes ( Dongyoung et al. 2007).

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.

#### **Trust:**

In online shopping, customer trust is considered to be one of the most important concepts in business-to customer e-markets (Hoffman et al. 1999).

Kuo-Ming Chu and Benjamin J. C. Yuan, 2013 (12), states that E-trust is the most important factor for any company's reputation, especially e-commerce. This may be due to a feeling of trust is akin to being re-assured that the company will look after the interests of the user or consumer and protect them in all respects. It is a form of meta-guarantee, one that goes beyond just a product guarantee. Given the virtual nature of the online shopping experience, trust is likely to be even more important in this context, due to major consumer concerns over credit card security or the way that privacy is handled could be detrimental to a company's reputation. To overcome this, firms are developing e-trust strategies, such as clearly articulating explicit policies regarding credit card security and the way privacy issues are handled.

#### **Intention to purchase Online:**

A purchase is the ultimate concern of a Web provider. It is an activity that results in sales to the firm, and it is a direct measure of successful e-commerce.

A study by Belanger et al., 2002 ( 1), behavioral intention tends to have a positive association with the actual choice of that behavior. That is, the stronger an individual's behavioral intention, the more likely she is to perform the behavior. Want to purchase in nearby future E-shopping intention can measure an individual's cognitive beliefs with respect to adopting or using e-shopping. This purchasing intention was expressed in various ways such as likelihood, probability, expectation and so on, and was measured at different time points such as currently, at the next visit, or in the future.

Chen et al., 2002 (5) and Limayem et al. (2000) theoretically considered e-shopping intention as an antecedent factor of actual e-shopping behavior, which in principle is the expected direction of causality.

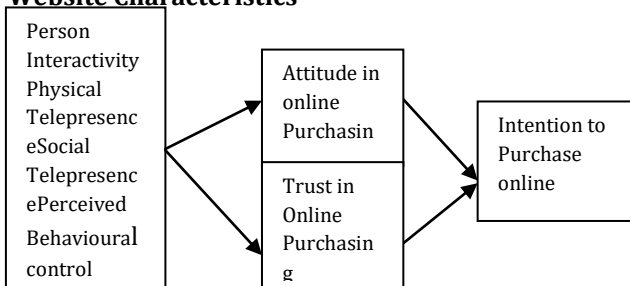
However, Chen et al. (2002), revealed that an individual's e-shopping intention was measured at the current time point, while her previous e-shopping behavior was used as the dependent variable. This model inverted the time precedence between intention and actual behavior and. Since thereby violated temporal consistency individuals'

intentions may be influenced by their prior e-shopping experience and/or change over time.

### Theoretical Framework

This study identified the need to study the online shopping websites and its impact on consumers intention to purchase online. From the literature review it appears that there are relatively few studies that have examined online shopping websites and its impact on consumers intention to purchase online among Indian consumers. This study, therefore to fill the gap in the literature as well as to respond the suggestions made by previous researchers in a different context and to investigate the interrelationships among some constructs that might have been overlooked by previous studies. So a conceptual model has been developed to explain the relationship between website characteristics, attitude in online purchasing and trust which leads to the consumers intention to purchase online.

#### Online Shopping Website Characteristics



### Statistical Analysis:

#### 1. Correlation analysis is used to find whether the Online Shopping Website Characteristics and Consumer Intention to Purchase Online.

**NULL HYPOTHESIS :** There is no relationship between online shopping website characteristics and consumers intention to purchase online.

**ALTERNATE HYPOTHESIS :** There is relationship between online shopping website characteristics and consumers intention to purchase online.

**Table : Correlation Analysis**

		Website Characteristics	Intention
<b>Website Characteristics</b>	Pearson Correlation	1	.129*
	Sig. (2-tailed)		.021
	N	320	320
<b>Intention</b>	Pearson Correlation	.129*	1
	Sig. (2-tailed)	.021	
	N	320	320

**\*. Correlation is significant at the 0.05 level (2-tailed).**

#### Interpretation:

In order to test the relationship, Pearson correlation was applied. The P value is greater than 0.05, thus the null hypothesis is accepted at 5% level of significant. From the result it is observed that there is positive correlation between the variables. The website characteristics has least r value ( r=0.129) ; this implies that it contributes less to Consumer intention to purchase online. Thus the null hypothesis is accepted and there is no relationship between Online shopping Website characteristics and Consumer Intention to Purchase online.

#### 2. Correlation analysis is used to find whether the Online Shopping Website Characteristics and Attitude, Trust of consumers to Purchase Online.

**NULL HYPOTHESIS :** There is no relationship between online shopping website characteristics and attitude, trust of consumers to purchase online.

**ALTERNATE HYPOTHESIS :** There is relationship between online shopping website characteristics and attitude, trust of consumers to purchase online.

**Table : Correlation Analysis**

		Attitude	Trust	Website Characteristics
Attitude	Pearson Correlation	1	.045	.356**
	Sig.(2tailed)		.423	.000
	N	320	320	320
Trust	Pearson Correlation	.045	1	.280**
	Sig.(2tailed)	.423		.000
	N	320	320	320
Website Characteristics	Pearson Correlation	.356**	.280**	1
	Sig.(2tailed)	.000	.000	
	N	320	320	320

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

**Interpretation :**

Since P value is less than 0.001, the null hypothesis is rejected at 1% level of Significant. . From the result it is observed that there is positive correlation between the variables. The website characteristics has r value ( r=0.356) ; this implies that it has strong relationship towards attitude. The website characteristics has r value ( r=0.280) ; this implies that it also has strong relationship towards trust. Thus the alternate hypothesis is accepted and there is relationship between Online shopping Website characteristics and attitude , trust of consumer to purchase online. .

**3. Correlation analysis is used to find whether Attitude, Trust and Consumer Intention to purchase online.**

**NULL HYPOTHESIS :** There is no relationship between attitude, trust and consumer intention to purchase online .

**ALTERNATE HYPOTHESIS :** There is relationship between attitude, trust and consumer intention to purchase online .

**Table : Correlation Analysis**

		Attitude	Trust	Intention
Attitude	Pearson Correlation	1	.045	.482**
	Sig. (2-tailed)		.423	.000
	N	320	320	320
Trust	Pearson Correlation	.045	1	.635**
	Sig. (2-tailed)	.423		.000
	N	320	320	320
Intention	Pearson Correlation	.482**	.635**	1
	Sig. (2-tailed)	.000	.000	
	N	320	320	320

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).

**Interpretation :**

Since P value is less than 0.001, the null hypothesis is rejected at 1% level of Significant. . From the result it is observed that there is positive correlation between the variables. The consumer intention to purchase online has r value ( r=0.482) ; this implies that it has strong relationship towards attitude. The consumer intention to purchase online has r value (r=0.635) ; this implies that it also has strong relationship towards trust. Thus the alternate hypothesis is accepted and there is relationship between attitude, trust and consumer intention to purchase online .

**Findings of the Study**

**Findings from the analysis based on Demographic Factors:**

- Age-wise distribution of the sample shows that the 56.6% of the respondents belong to 18-25 years shows maximum interest in online purchasing and followed by 14.7% belongs to 26-35 years. 12.5% respondents belong to 36-45 years and they show medium interest in online shopping. The rest of the respondents have little interest in online shopping ie., 9.7% are above 45 and 6.6% are above below 18.
- Gender wise distribution of the respondents shows that there are 52.2% female and 47.8% male respondents in the sample. This shows that female respondents shows high interest in online shopping.
- Marital status of the respondents shows that 52.8% respondents are married and 47.2%

respondents are unmarried. This indicates that online shopping is more likely preferred by married respondents than unmarried respondents.

- Qualification-wise distribution of the sample indicates that 46.3% of the respondents are post graduated, 21.9% respondents are under graduated, 18.4% and 13.4% are Professional and School level / Diploma respectively. Thus the respondents belonging to Post graduation do more online shopping than others.
- Since stratified sampling is used in this research the designation-wise sample is collected equally as 25% of total sample 320 for all four categories of designation.
- Income-wise distribution of the sample indicates that the 23.1% falls under Up to Rs.15,000, 21.3% falls under Rs.15,001 to 30,000, 20.6% falls under Rs.50,001 to 75,000 and 17.5% is shared by both Rs. 30,001 to 50,000 and Above Rs.75,000. Thus it is stated that respondents having income up to Rs. 15,000 shows high interest in online shopping.

#### Findings based on Percentage Analysis:

- It is observed from the sample that 38.1% of respondents use internet for about 2-4 hours a day, 28.4% use 1-2 hours, 26.6% use more than 4 hours and 6.9% use less than one hour a day.
- The paying attention towards online shopping of the respondents is observed that the 80.6% of the respondents pay attention towards online shopping websites and 19.4% has no interest in online shopping websites. Thus the 80.6% respondents contribute maximum for online purchasing.
- There are three important factors in which the respondents believe for online purchasing. They are security, trust and Privacy. Trust is the most important factor in which the respondents believe for a website user. 41.6% of the respondents believe in Trust. Security and Privacy are the second choice. 38.4% and 20% believe in Security and Privacy respectively.
- It is observed that there are lot products are there in online shopping websites. In which 42.5% respondents purchase Electronic appliances. 19.4% prefer toys, 17.2% prefer Apparels, 12.2% prefer Accessories, 5.3% prefer Home and kitchen appliances and 1.9% and 0.9% prefer others and toys respectively. Thus from this study electronic appliances are the highly demanded product in online shopping and it is followed by Toys, Apparels and Accessories.
- The online shopping website rating was identified that 51.3% of respondents are stating

good for online shopping websites and followed by 37.5% and 11.3% stating very good and excellent respectively. Thus it is evident that more than half of the sample says online shopping websites are good for online purchasing.

- It is evident that 58.4% of the respondents frequently visits Flip cart for online shopping. 16.6% visits Snap deal, 13.4% visits Amazon, 6.9% visits EBay and 4.7% visits other online shopping websites. Thus Flip cart is the mostly selected website for online shopping by the respondents.

#### Findings based Statistical Analysis ( Testing of Hypothesis)

- It is found that there is no relationship between Online shopping Website characteristics and Consumer Intention to Purchase online. Thus online shopping website characteristics will not affect the consumer intention to purchase online.
- It is observed that there is relationship between Online shopping Website characteristics, attitude and trust of consumer to purchase online. Thus the website characteristics will attract consumers.
- It is also evident from the analysis that there is relationship between attitude, trust of and consumer intention to purchase online. Thus it is clearly found that consumers attitude and trust will leads to purchase through online.

#### Conclusion

In Chennai city most of the people select flip cart for online shopping and also online shopping had become a trend in this generation. This study clearly shows that there is positive relationship between the website characteristics and attitude, trust and intention towards online purchasing. Trust is, however, also quite important to online shoppers. Strategies, such as information about the product, payment security, money-back guarantee, past experience using this product-brand, and buying a well-known brand, over personal risk reduction strategies, such as information from family and friends, comments on the Internet, website loyalty, and possibility of communicating with a salesperson (by phone or mail) should be developed by the online websites. Among that—website loyalty, Possibility of communicating with a salesperson (by phone or mail), Choose the secured mode of payment, Past online shopping experience, are the five most probable strategies for consumers to use online shopping websites on the Internet. Adopters of online shopping are predominantly young, single and well educated. Majority of the online buyers purchases occasionally.

The findings of this research may outline as implication for online websites in order to enhance their consumer knowledge and develop their online marketing strategy effectiveness. Also help online websites learn how to convert browsers to purchasers and to capture revenues lost to abandoned shopping carts.

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