

## Perception of customers towards online shopping with regard to perceived credibility, perceived worthiness & perceived trust: A study with regard to Bangalore city

Manju MR

Research Scholar, Christ University, Bangalore, Karnataka, India

### Abstract

Online shopping or marketing is the utilisation of technology for promoting marketing activities and selling products. The internet has become a platform for e-purchase and consumers in India are using internet as a source of purchase and other transactions. The financial sectors are also gaining prominence with the sophistication of technology via internet. Various applications and software's used as payment options in online shopping have changed the face of various banks and financial institutions. This paper studies the perceptions of online consumers that influence the online purchasers of Bangalore. A sample of one hundred and forty nine respondents was collected from Bangalore and a self-administered questionnaire was prepared. Factor Analysis, T test, one way Anova test was conducted to know the significance of perceived trust, perceived credibility and perceived worthiness. The findings threw interesting insights on the online consumer behaviour, as the results show significant differences between the three perceived factors.

**Keywords:** online shopping, customers, perceived credibility, perceived worthiness, bangalore

### 1. Introduction

The growth of online shopping in India is phenomenal. Over the years there is a significant increase in the number of online users due to its convenience and also due to the attractive prices offers. According to Megree (2003) the growth in the number of online shoppers is greater than the growth of internet users. Also, not only the number of adopters grows, but also the volume of purchase is proportionally increased. (Monsurve *et al.* 2004), this study is aimed to examine the perception of consumer attitude before the online shopping. However, it should be noted that this study is restricted to Bangalore city. Michael Aldricks invention of online shopping or e-shopping 1979 served the consumers to buy goods or services directly from a market or outlet with the help of internet. Flipkart, Amazon, Myntra, E Bay, Snap deal are the major online websites. Turban *et al.* (2002) explains that it is an emerging concept to us through cargo or courier. Nowadays, internet is identified as a powerful weapon for the advertisement, and promotion of new products and services so that the online marketers can attract more customers. Research is required on the influences of e-services on all customer responses, such as perceived service quality, customer satisfaction and purchase intentions. (Parasuraman and Grewal 2000; Jerong *et al.* 2003)<sup>[11]</sup>. Tang *et al.* (2005) states that there are lots of people around the world and each of them represent possible customer of stores which offer online sales.

Attitude serve as the link between consumers characteristics and the consumption that satisfies their needs. (Armstrong & Kotler, 2000; Shw-Ing 2003). The success of an e-market largely depends upon the consumers' willingness to accept it. Thus

It is important to identify the numerous factors precedes attitude formation and change. In spite of that understanding consumer's attitude towards online shopping helps marketers to predict the online shopping pulse and evaluate future growth of the e-shoppers. The process of shopping activity includes

five steps. Firstly customers identify a need and secondly gather information with regard to the options available. Once it is evaluated they will set their mind to buy products or services based on the best price. Best price is the price which a customer feels reasonable or genuine. Lastly, they go through several factors which influence their final decision and evaluate whether they have made a good decision.

### 1.1 Review of Literature

Dahiya Richa has studied the impact of demographic factors of consumers on online shopping. The sample for questionnaire was collected from Delhi, Mumbai, Chennai, Hyderabad and Bangalore. The sample was mainly collected from metros and big cities assuming the high Internet diffusion rate. The findings of the study revealed that online shopping is significantly affected by various demographic factors like age, gender, marital status, family size and income. Richa, D. (2012)<sup>[1]</sup>. Impact of demographic factors of consumers on online shopping behaviour: A study of consumers in India. Online journal of engineering and management sources, 43-52. Ruchi Nayyar and SL Gupta (2011)<sup>[1]</sup> created model from various resource in order to gather information related to demographics, perceived usefulness, perceived ease of use, perceived risk and behavioural intention to purchase online. Regression analysis indicated a strong relationship between perceived usefulness and perceived ease of use. This study concluded that male internet users were more comfortable in virtual shopping the female internet users. ShabriaAzizi and Masoud Javidani (2010)<sup>[10]</sup> has developed a conceptual model and had tested it through path analysis. This showed that perceived e-benefit, perceived e ease has positive attitude and perceived e risk has no effect on the attitude and e- shopping intention Gurvinder S Shergill and Zhaolin Chen (2005)<sup>[7]</sup> has examined the perception of internet shoppers towards the different websites in Newzealand. They explored the shopping behaviour of male and female college students and found that

the male college students tend to be more comfortable with the system and its applications. Gurvinde S Shergill and Zhaolin Chen (2005) [7] has examined the perception of internet shoppers towards the different websites in Newzealand. They explored the shopping behaviour of male and female college students and found that the male college students tend to be more comfortable with the system and its applications. Ahmad Nabout & Varjagaraj and Wamadev Balachandran (2014) [6] in their paper has studied about the attributes which adversely affected the online shopping in Jordan. The results of the studies revealed that the lack of human resources, lack of developed IT structure, and trust in e-retailers are the attributes which caused a negative impact on virtual shopping.

Khushboo Makwana, Khushboo Datwani, Himanshri Badlani (2009) for their studies reported that there is no significant difference among the response of male and female graduates but the study explained the relationship between the five dominant factors which influence consumer perceptions of online shopping are Information, Ease of use, Satisfaction, Security/Privacy, Proper Utilization.

Jyoti, Dilipkumarvarma and VC Sharma (2015) [1] explained the relationship between demographic factors and the usage of online shopping. Chi square test was adopted for the study. They investigated various demographic factors and found that occupation and age have positive impact on purchasing intentions.

Mohammed Umar Sultan and MD Nassiruddin investigated Gotland students shopping behaviour and found that the most prominent factor is website design. Following convenience the second most and thirdly time saving. The research also threw light on the willingness of youth to shop online more than the elderly people.

**1.2 Statement of problem**

“An increasing number and variety of firms and organisations are exploiting and creating business opportunities in internet “Liao and Cheung (2001: 299) [1]. This clearly defines the growth of e-shopping. Cut throat competition in this field forces the marketers to analyse what actually motivates the customers to shop on-line.

In order to analyse the consumer behaviour various factors need to be thoroughly studied. So it is equally important to understand the prominence of customers’ attitude as well as online shopper’s demography in terms of gender, age, occupation.

**1.3 Objective of the study**

To analyse the attitude of customer performance and also to study how consumers form attitudes

**1.4 Research Methodology**

This paper targets a sample population drawn from consumers in Bangalore. According to the website <http://www.raosoft.com/samplesize.html> for a population of ten thousand online consumers’ one hundred and fifty respondents was the suggested requirement. Though I collected two hundred samples only one hundred and fifty were found valid. This study involves non-probabilistic convenience sampling. A questionnaire is prepared with thirteen questions based on perceptions of online purchasing. Questionnaires were distributed manually. Quantitative data was collected

from a self-administered questionnaire and proper care was taken to ensure that there is insignificant sampling error. The study used variety of questions to find out complete information under the topic. Five point Likert scale was used to rate the responses. This research tool consists of a 3 section questionnaire that was modified from various resources in order to collect information regarding perceived trust, credibility and worthiness. Factor analysis was conducted and along with that Kaiser Mayo Olkin’s test for sampling adequacy and One Way ANOVA test for sphericity in favour of Factor Analysis.

**1.5 Research Gap**

Much research has been concentrating on customer satisfaction on online shopping in the world. However, there is still a need for closer examination on customer satisfaction in much technologically sophisticated city like Bangalore. Both established and new, large and small scale businesses are now using the Internet as a medium of sales of their products and services (for example Dell computer, Amzon.com, and jobstreet.com, blooming.com, Flip kart, Myntra etc So my study will throw insight on the perceptions of online shoppers in Bangalore and how they form attitude.

**1.6 Data Analysis& Findings**

A sample of 149 respondents was selected for the study of which 61.67 percent were males and 38.3 percent were females. The percentage of married respondents is 40.3 percent whereas that of single is 59.7 percent. Following tables give the frequency distribution of the variables Age and Occupation as well as computer usage.

**Table 1:** Frequency distribution of the variable Age

Age Group	Frequency	Percent
16 - 30	94	63.1
30 - 40	42	28.2
40 - 50	12	8.1
50 - 60	1	.7
Total	149	100.0

**Table 2:** Frequency distribution of the variable Occupation

Occupation	Frequency	Percent
Business/Self employed	23	15.4
IT professional	57	38.3
Non-IT	26	17.4
Medicine	10	6.7
Service/Teaching	20	13.4
Home-maker	13	8.7
Total	149	100.0

**Table 3:** Frequency of computer usage

Daily usage of personal computer	Frequency	Percent
0 - 1 hour	34	22.8
1 - 4 hours	45	30.2
4 - 6 hours	22	14.8
6 - 8 hours	16	10.7
8 - 10 hours	18	12.1
More than 10 hours	14	9.4
Total	149	100.0

**Table 4:** Frequency of usage of Internet

Daily usage of the internet	Frequency	Percent
0 - 1 hour	53	35.6
1 - 4 hours	36	24.2
4 - 6 hours	19	12.8
6 - 8 hours	25	16.8
8 - 10 hours	15	10.1
More than 10 hours	1	.7
Total	149	100.0

Around 53% of the people use personal computers for less than 4 hours daily. Also, around 60% of the people use less than 4 hours of internet.

**Table 5:** Frequency of online shopping

Frequency of online shopping	Frequency	Percent
Daily	8	5.4
Once in a week	32	21.5
Once in fortnight	30	20.1
Once in a month	79	53.0
Total	149	100.0

The questionnaire consisted of thirteen questions based on perception of on line purchasing. This was reduced into three factors, namely, perceived credibility, perceived trust and perceived worthiness using the factor analysis with varimax rotation. 51% of the variance was explained by these three factors. Also, Kaiser Mayo Olkin’s test for sampling adequacy

(0.718) and Bartlett’s test for sphericity (chi square =451.655, P=0.000) favour the use of factor analysis.

The impact of socio demographic variables on these three factors was tested using t test and one way ANOVA and the results are given in the following table:

**Table 6:** Demographic factors affecting online purchase

Socio demographic Variable	Factor	Test statistic value	P value
Age	Perceived Credibility	F=3.812	0.011
	Perceived Trust	F=0.661	0.577
	Perceived Worthiness	F=2.789	0.043
Gender	Perceived Credibility	T=-0.269	0.788
	Perceived Trust	T=0.224	0.823
	Perceived Worthiness	T=1.028	0.306
Marital Status	Perceived Credibility	T=-2.484	0.014
	Perceived Trust	T=1.577	0.117
	Perceived Worthiness	T=-2.027	0.044
Occupation	Perceived Credibility	F=1.111	0.357
	Perceived Trust	F=0.592	0.706
	Perceived Worthiness	F=1.376	0.237

The above results show that the factors perceived credibility and Perceived worthiness are significantly different for different age groups and different marital status whereas there is no significant difference in the factor Perceived Trust due to any of the socio demographic variable.

The effect of usage of personal computers, internet and the frequency of online shopping on the three factors of perception of online shopping was tested and the results are tabulated below.

**Table 7:** Online buyers’ perception of the three factors

Variable	Factor	F value	P value
Daily usage of personal computers	Perceived Credibility	1.362	0.242
	Perceived Trust	0.650	0.662
	Perceived Worthiness	2.969	0.014
Daily usage of internet	Perceived Credibility	1.289	0.272
	Perceived Trust	3.123	0.010
	Perceived Worthiness	1.781	0.120
Frequency of online shopping	Perceived Credibility	0.178	0.911
	Perceived Trust	0.947	0.420
	Perceived Worthiness	1.204	0.311

## 2. Conclusion

This paper comprises the first section of an on-going research aiming to throw light on the broad topic of online shopping. Particularly, its scope was to examine the perspective of Bangalore based e\_ shoppers. The results didn't show much significant differences between the male and female adopters. Also the factors perceived credibility and perceived worthiness are significantly different for different age groups. From the above tables we can conclude that there is significant difference in the factor perceived worthiness due to daily usage of personal computers whereas there is significant difference in the factor perceived trust due to daily usage of internet.

## 3. References

1. (Richa, VOL.3(1) 2012; Ruchi Nayyar, 2011) (Javidani, 4 October, 2010 ; anyasree, june 2014; Chen, 2005; Badlani; Ahmad Nabot, JULY 2014 ; Vijayasrathy, 2003; Dholakia, 2003; Powers, 2013; Che Nawi Noorshellal, 2015; Jyoti1, 2015)
2. Ahmad Nabot VG. Consumer attitudes toward online shopping: An exploratory study from Jordan. Article in international Journal of social ecology and sustainable development. 2014, 25-32.
3. Anyasree PA. Factors influencing online buying behaviour in tiruchirappalli district. Research journal's Journal of Marketing. 2014, 2348-0947.
4. Badlani KM. (N.D.). A Customer Perception towards Online ShoppingAn Exploratory Study. Altius Shodh Journal of Management & Commerce.
5. Che Nawi Noorshellal AM. Examining the Key Factors Affecting e-Service Quality of Small Online Apparel Businesses in Malaysia. Sage open. 2015, 1-10.
6. Balachandran W. An adaptive decision support system for last mile logistics in e-commerce- A study on online grocery shopping in Jordan. International Journal of decision support system technology, 2013, pp. 40-65.
7. Gurvinder S Shergill, ZC. Web based shopping-consumer's attitude towards online shopping in New Zealand. Journal of electronic commerce, 2005, pp. 79-94.
8. Kushboo Makkwana KD. (n.d.). A customer perception towards online shopping. Atlus shodh journal of management and commerce, pp. 2348-8891.
9. Ziqui Liao MI. Internet based e shopping and consumer attitudes: An empirical study. Article in information and management, 2001, pp. 299-306.
10. Javidani SA. Measuring e-shopping intention: An Iranian perspective. African Journal of Business Management. 2010; 4(13):2668-2675, 2668-2676.
11. Parasuraman A, Grewal D. *The impact of technology on the quality-value-loyalty chain: A research agenda*. J. of the Acad. Mark. Sci. 2000; 28:168.