CHAPTER – 4
RESEARCH METHODOLOGY

4.1 Rationale of the Study
4.2 Statement of the Problem
4.3 Objectives of Study
4.4 Scope of Study
4.5 Significance of the Study
4.6 Research Design
   4.6.1 Type of Research
   4.6.2 Data Collection Method
   4.6.3 Sample Size
   4.6.4 Sampling Technique
   4.6.5 Sampling Unit
   4.6.6 Broader Hypothesis of Study
   4.6.7 Data Preparation
   4.6.8 Tools and Techniques of Analysis
4.7 Limitations of the Study
4.8 Chapter Plan
4.1 Rationale of Study

Online shopping is the buzz, the sensation in the current scenario. The Internet has made a new generation of consumers who like to shop online. Getting anything by a click of the mouse right from fashion accessories to jewellery, apparel, electronic items, crockery, home appliances, personal care products, and more has led to the popularity of the 'online shopping mall' phenomenon. It is the easiest and fastest way of shopping. At an online shopping mall, one can catch a glimpse of new product releases, combo deals, packages, discount offers, seasonal products, etc. and accordingly grab the best deal. Time is not the constraint; one can shop anytime - the facility is available round the clock. Besides saving our time of visiting an offline store and staying away from the hassles involved, one can gain an additional advantage, i.e., saving a lot on the money factor.

The literature review has revealed that most of the studies have mainly concentrated on trust and risk independently. There have been hardly any studies which take into account perceived risk and trust in Internet shopping.

Moreover, on detailed search the researchers have not found any substantial literature available in the Indian context delving on risk perceptions in internet shopping. From above literature study, it can be seen that all these studies have been done in non-Indian context. Through this research, the researchers expect to find the buying behavior of internet shoppers, in what categories people intend to spend more, why customers prefer internet shopping, whether trust matters in internet shopping or not in Indian context. Moreover customer perception about risks in internet shopping will also be studied and their reasons for not shopping online.

Under the above context, I realize the need for an extensive and intensive study to analyze the risk perceptions in internet shopping which will be helpful to e-tailers in designing an appropriate strategy to attract customers.
to shop online. A comprehensive empirical study of such kind is lacking in India. The present study attempts to fulfill this void.

4.2 Statement of the Problem

The growth of Internet and its user base in recent years has been truly phenomenal. Juxt today released their annual 'India Online 2011’ report which puts number of active Indian Internet users at 65 Million as compared to 51 Million last year. Overall at all India level, there has been 5.44% increase in internet using households and 28% growth in internet using households (individuals) in year 20011 as compared to year 2010.1

Despite the phenomenal growth of the Internet over the past few years, the vast potential of conducting business over the Internet remains largely untapped. Email is still the most popular activity on the internet, however, online search of products has picked up significantly making shopping the 2nd most popular activity online. Moreover, there is still much room for online shopping to grow. Perceived risk [Hassan, Kunz, Pearson& Mohamed, 2006]2 and lack of trust [Lim, Sia, Lee & Benbasat, 2006]3 is the main cited reason for consumers not purchasing online. Developing trust in online shopping environment is especially challenging, because of the lack of direct contacts with the physical stores, salespeople, and physical products in the digital world [Uslaner, 2004]4

The survey of literature reveals that most of the studies in this area are related to Non-Indian context and hence there is an urgent need to analyze the risk perceptions in internet shopping. The present study is aimed to fulfill this requirement. This is a study of understanding whether trust matters or not in internet shopping and understanding risk perceptions in internet shopping. Therefore statement of the problem under the study has been
4.3 Objectives of the Study

The main objective of the study is to understand risk perception in internet shopping. The study also incorporates some of the basic objectives as under:

1. To analyze buying behavior of internet shoppers
2. To know why customers prefer internet shopping
3. To understand risk perception in internet shopping
4. To know whether trust matters in internet shopping
5. To find out reasons for reluctance to internet shopping
6. To suggest suitable precautions to customers regarding how to shop safely online

4.4 Scope of Study

The study will be conducted in five major cities covering Central, South and Saurashtra region in the state of Gujarat with various geographical areas like - Ahmedabad, Surat, Vapi, Rajkot and Jamnagar where I think the working women population is more and also the people are tech-savvy. The reason for selecting these cities is that these cities fall into urban category and this study aims at covering urban dwellers as the internet penetration rate in rural area is almost negligible.

4.5 Significance of the Study

As mentioned above the proposed research is unique and will highlight some new findings than the earlier research and will be useful to many related to
marketing activities. Some of the potential beneficiaries from the study are elaborated as under:

1. **Marketers:** This will help the marketers perfect the old-tricks that they have to be perfected over the last few decades and involve more creative strategies to appeal to this energetic, confident and tech-savvy segment. Also it will help further to give more appealing web designs, positioning strategies, web pages, websites, promotional tools, etc for this specific target.

2. **Advertisers:** Also the advertisers, having gained knowledge about the risk perceptions, trust factors and lifestyle predictors about this segment, can better do justice to their campaigns by designing them taking these factors in mind.

3. **Future researchers:** This also gives a base to future researchers to explore the areas based on the revelations of this research and give further insights into developing future correlations between various variables related to this area.

**4.6 Research Design**

A research design is a framework or blue print for conducting the research project. It details the procedure necessary for obtaining the information needed to structure and/or solve research problem. A research design lays the foundation for conducting the project.⁵
4.6.1 Type of Research

The cross-sectional descriptive research design is used for conducting this research work because this design enables the researcher to study the problem at given point of time of the population of interest. To identify the problem, to develop and approach the problem & to formulate an appropriate research design, primary & secondary data has been used. To collect information for the study from customers, primary research is used. Several people who were internet users were identified and primary data were collected from respondents using structured questionnaire. Firstly pilot study will be done and its output will be used for the formulation of questionnaire especially for item construction for the scale to measure risk and trust. A structured questionnaire will be designed for quantitative research and will be pre-tested before using as a final instrument for collecting the data.

4.6.2 Data Collection Method

To collect information for the study from customers, primary research is used. Secondary data has been collected from library of IIMA, Library of Saurashtra University, various Journals, Magazines, proceedings of seminars and conferences, Internet etc.

Structured questionnaire was used as instrument for collecting the primary data. The response were recorded and measured by using nominal scale and likert scale. The data collected thus was quantitative in nature. The questionnaire was pre-tested before final use.
4.6.3 Sample Size

The sample size of 300 respondents were selected from five major cities covering Central, South and Saurashtra region in the state of Gujarat with various geographical areas like Ahmedabad, Surat, Vapi, Rajkot and Jamnagar. All the respondents were administered structured questionnaire.

4.6.4 Sampling technique

The sampling procedure used will be convenience sampling combined with judgmental sampling.

Samples have been taken into consideration on the basis of criteria which includes that respondent should be an online shopper or at least aware about internet shopping

4.6.5 Sampling Unit

Respondents who are internet users or at least aware about internet shopping are the primary unit of analysis. Data will be collected through structured questionnaire.

4.6.6 Broader Hypothesis of Study

To accomplish the objectives of the study, the following null hypothesis have been developed for empirical testing. The following null hypothesis is presented by referring to the conceptual framework which will be tested through rigorous statistical procedure:
1. **H₀**: There is no significant difference between preference towards internet shopping with respect to personal variables.

2. **H₀**: There is no significant difference between risk perception in internet shopping with respect to personal variables.

3. **H₀**: There is no significant difference between trust in internet shopping with respect to personal variables.

4. **H₀**: There is no significant difference between reluctance to internet shopping with respect to personal variables.

### 4.6.7 Data preparation

Data preparation begins with preliminary check of the entire questionnaire for its completeness. The collected data was edited, coded, tabulated, grouped and organized according to the requirement of the study and then entered into SPSS (Statistical Package for Social Sciences) for analysis.

### 4.6.8 Tools & Techniques of the Study

For analyzing the hypothesis, various parametric as well as non-parametric tests have been used in this research.

### 4.7 Limitations of the Study

All efforts have been made to ensure that the research is designed and conducted to optimize the ability to achieve the research objective. However there are some constrains that do not validate the research but made to be acknowledged:
1. This study is restricted to the state of Gujarat only.

2. This evaluation is based on primary data generated through questionnaire and collected from the respondents who are internet users or at least aware about internet shopping and as such its findings depend on accuracy of data.

3. The sample consists of 300 urban Indian customers from different cities of Gujarat State. The sample is selected conveniently and judgmentally i.e. those respondents who were internet users were the prime target.

4. As the primary data has its own limitations and based on the respondents, the study is limited to Gujarat state only and it cannot be applicable to the customers of the other states of India or at International Level.

5. The study is based on the response of the customer who is highly subjective in nature and hence generalization made may not be totally true.

6. Certain issues in the study concentrate on both perceptions and attitude of respondents.

7. The major tool which is used for evaluation is 5 point scale known as likert scale and nominal scale and thus it has its own limitations.

8. Consistent data from secondary sources was available for last six years only.

4.8 Chapter Plan of the study

Chapter 1 - Overview of Internet Shopping in India

This chapter will cover introduction, history, need for internet shopping, global internet shopping scenario, growth, trends, drivers, payment options, product delivery, problems, challenges, future of internet shopping etc.
Chapter 2 - Conceptual Framework

This chapter will include definition and role of trust, characteristics of trust, online and offline trust, trust building process, social learning theory on trust building, model for consumer trust, concept of perceived risk, perceived risk debates and definitions, risk, involvement and trust, types of perceived risks, perceived risk applications, etc.

Chapter 3 - Survey of Existing Literature

This chapter will include the review of existing literature available from several journals, magazines, website and published data from several research agencies.

Chapter 4: Research Methodology

This chapter includes comprehensive objectives of the study and hypothesis of the study. This chapter will also include the methodology adopted for the research – it will include the universe of the study – sampling design – sampling unit - Classification of samples – period of study – Data collection and analysis tools adopted for the study etc. This chapter will include limitations and several sources of information used for the purpose of the study.

Chapter 5: Analysis & Interpretation of data

The various statistical tools will be adopted for the data analysis and findings will be represented in form of charts and graphs.

Chapter 6: Summary of Findings & Suggestions

This chapter highlights general criteria, summary of findings and suggestions of the study. Also suggested is the path for the improvement and future areas of research.
References:

1. India Online 2011 Report, Juxt


