CHAPTER - II

REVIEW OF LITERATURE

This chapter mainly focuses on the studies that are done by previous researchers or other authors in the similar area of the present study. Throughout this chapter, there will be comprehensive discussion on theoretical and practical views of previous studies done in online shopping and offline shopping of products. This study combines factors that other studies have done which are likely to influence the consumer's purchasing decision in online and offline purchase of products. It includes the price attractiveness, time saving, perceived risk, enjoyment and excitement, tangibility and high interactivity. All of these factors will contribute to the study of customer's purchasing intention of products on both stores which includes online and offline shopping.

Most academics and practitioners agree that demographic, social, economic, cultural, psychological and other personal factors, largely beyond the control and influence of the marketer, have a major effect on consumer behavior and purchasing decisions Harrell and Frazier, 1999; Czinkota et al., 2000; Czinkota and Kotabe; 2001; Dibb et al., 2001; Jobber, 2001; Boyd et al., 2002; Solomon and Stuart, 2003. Despite their incapacity to exercise any substantial influence on the above factors, marketers can have some bearing on the outcome of the buying process by engaging different marketing tools, the most prominent being the 4Ps – product, price, place and promotion – also known as the marketing mix (Borden, 1964; McCarthy, 1964). While the value and current standing of the mix as a marketing toolkit is frequently disputed (Dixon and Blois, 1983; Groonroos, 1994; Gummesson, 1997; Goldsmith, 1999) marketing practitioners nonetheless widely deem the 4Ps as the tools that can influence the consumer’s behavior and the final outcome of

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Engel, Blackwell and Miniard, (1990) defines purchasing intention as a psychological process of decision-making. In online shopping, it is expected that shoppers are more likely to associate price attractiveness and time saving with their intention to shop while in offline shopping, consumers are more likely to associate tangibility, high interactivity and enjoyment with their intention to shop. As a result, online marketers or retailers should be aware of the problems faced by the consumers and their perceived risk to increase their intention to shop online. Designers must take note of consumers' needs because the usability is the starting point to get the confidence and support of the consumers.

Engel, Blackwell and Miniard’s (1990) study entitled “Purchasing Intention as a Psychological Process of Decision Making” pursued the online shopping behavior and the decision making process and found the association of price attractiveness and time saving with their intention to shop while offline shopping. It also found that consumers are more likely to associate tangibility, high interactivity and enjoyment with their intention to shop. The result of the study reveals that the problems faced by the consumers and their perceived risk downsize their intention to shop online. It suggested that designers of online service providers must take note of consumers need and the usability, by building confidence and support of the consumers.

Davis (1993) in his study reveals that we build up such a framework based on previous research on consumer adoption of new self-service technologies and Internet shopping systems. The research suggests that

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23 Engel, Blackwell and Miniard’s (1990) - “Purchasing Intention as a Psychological Process of Decision Making”.
consumers’ perception towards Internet shopping first depends on the direct effects of relevant online shopping features.

Dabholkar and Bagozzi et al, (2002) O’Cass and Fenech, (2002); Childers et al., (2001); Davis, (1993)\(^{25}\). In their study reveal that if more attractive online stores were developed, this would raise the issue of examining what factors affect consumers to shop online. Therefore, a framework is needed to structure the complex system of effects of these different factors, and develop an in-depth understanding of consumers’ perceptions toward Internet shopping and their intentions to shop online.

Hirschman and Holbrook, 1982; Babin et al., (1994)\(^{26}\), stated that next to the evidence for the critical role of extrinsic motivation for technology use, there is a significant body of theoretical and empirical evidence regarding the importance of the role of intrinsic motivation.

Holbrook, (1994)\(^{27}\) summed that Intrinsic motivation for Internet shopping is captured by the “enjoyment” construct in ones framework. Intrinsic value or “enjoyment” derives from the appreciation of an experience for its own sake, apart from any other consequence that may result.

Mayer et al. (1995)\(^{28}\) developed a model which combines traditional marketing philosophy on consumer motivation to buy and the trust model. In this model, trust propensity; which is a personality trait possessed by buyers; is an important antecedent of trust. In Internet shopping, there is not much information available to the buyer regarding the seller, prior to purchase. A buyer with a high propensity to trust will more likely be a potential customer than a buyer with a lower propensity. He also proposed that ability, benevolence and integrity constitute the main elements of trustworthiness.

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\(^{26}\) Hirschman and Holbrook, 1982; Babin et al., (1994) - "Consumer Fantasies, Feelings and Fun."


\(^{28}\) Mayer et al. (1995) - Trust, Trustworthiness and Trust propensity.
Ability refers to skills, competencies and characteristics that a seller has in a specific domain. In this context, sellers need to convince buyers of the competence of their companies in the Internet shopping business. Benevolence is the extent to which the seller is perceived by the buyer as wanting to ‘do good’. Sellers have to convince buyers that they genuinely want to do good things for buyers, rather than just maximize profit.

Studies by Mayer et al., (1995) and Hoffman et al., (1999) reveal that trust and consumer motivation have significant relationships.

Consumer risk perceptions and concerns regarding online shopping are mainly related to aspects involving the privacy and security of personal information, the security of online transaction systems and the uncertainty of product quality. Trust is interwoven with risk (McAllister, 1995). One of the consequences of trust is that it reduces the consumer’s perception of risk associated with opportunistic behavior by the seller (Ganesan, 1994). Lack of trust is frequently reported as the reason for consumers not purchasing from Internet shops, as trust is regarded as an important factor under conditions of uncertainty and risk in traditional theories.

Peterson et al. (1997) commented that it is an early stage in Internet development in terms of building an appropriate dedicated model of consumer buying behavior. Decision sequences will be influenced by the starting point of the consumer, the relevant market structures and the characteristics of the product in question. Consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior.

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29 Mayer et al. (1995) - Trust, Trustworthiness and Trust propensity.
31 McAllister, 1995, Affect and Cognition Based Trust.
32 Ganesan, 1994, The measurement of Trust is Marketing Studies.
A consumer’s trust in an Internet store can be thought as the consumer’s trust directly in the store. Nevertheless, Hoffman et al (1999) argued that the effectiveness of third-party trust, certification bodies and the public key encryption infrastructure for ensuring financial security, are the central success factors for building consumer trust in Internet shopping. Kini and Choobineh (1998) suggested that trust in the Internet business is necessary, but not sufficient, for an Internet buying behavior to take place. The consumer must also trust the transaction medium for online shopping. The review of empirical studies has embodied different factors which influence online purchasers’ behavior. The antecedents of online purchase include many attitudinal components; for example, attitude towards online shopping and perceived risk of an online purchase. Consumers’ online shopping experiences, website and fulfillment of quality expectations are deemed as the major components to successful online transactions. In essence, our interest is in discovering the factors affecting consumers’ intent to buy online as well as in quantifying their relative importance. Specifically, through surveying consumers based on the literature, there is an interest in identifying and rank-ordering factors affecting intent to buy through online in India.

Todd (1997) proposed a model of attitudes and shopping intention towards Internet shopping in general. The model included several indicators, belonging to four major categories; the value of the product, the shopping experience, the quality of service offered by the website and the risk perceptions of Internet retail shopping.

In the research conducted by Vellido et al. (2000), nine factors associated with users' perception of online shopping were extracted. Among those factors the risk perception of users was demonstrated to be the main discriminator between people buying online and people not buying online. Other discriminating factors were; control over, and convenience of, the

35 Todd (1997), Differential Effects of Product Category on Shoppers.
36 Vellido et al. (2000), Online Consumer Behaviour.
shopping process, affordability of merchandise, customer service and ease of use of the shopping site.

Venkatesh (2000)\textsuperscript{37} in his study on online shopping felt that “Computer playfulness” is the degree of cognitive spontaneity in computer interactions. Playful individuals may tend to underestimate the difficulty of the means or process of online shopping, because they quite simply enjoy the process and do not perceive it as being effortful compared to those who are less playful “Computer anxiety” is defined as an individual’s apprehension or even fear when she/he is faced with the possibility of using computers. This influences consumers’ perceptions regarding the “ease of use” of the Internet as a shopping medium in a negative way, since using a computer is one of the necessary requirements for online shopping.

Commitment is one of the important factors that have the most influential effect on online shopping. Commitment is closely associated with risk since it is a measure of customers’ perceptions about whether or not merchants can be counted on to deliver on their promises (Vijayasarathy and Jones, 2000)\textsuperscript{38}.

Childers et al (2001)\textsuperscript{39} concluded that “enjoyment” results from the fun and playfulness of the online shopping experience, rather than from shopping task completion. The purchase of goods may be incidental to the experience of online shopping. Thus, “enjoyment” reflects consumers’ perceptions regarding the potential entertainment of Internet shopping found “enjoyment” to be a consistent and strong predictor of attitude toward online shopping.

The classic consumer purchasing decision-making theory can be characterized as a continuum extending from routine problem-solving behaviors, through to limited problem-solving behaviors and then towards

\begin{itemize}
  \item Vijayasarathy and Jones, 2000 - Identifying Factors of Consumer Perceived Risk.
  \item Childers et al (2001), What Drives Consumers to Shop Online.
\end{itemize}
extensive problem-solving behaviors according to Schiffman et al., (2001)\textsuperscript{40}. The traditional framework for analysis of the buyer decision process is a five-step model. Given the model, the consumer progresses firstly from a state of felt deprivation (problem recognition), to the search for information on problem solutions. The information gathered provides the basis for the evaluation of alternatives.

Finally, post-purchase behaviors is critical in the marketing perspective, as eventually affects consumers perception of satisfaction/dissatisfaction with the product/service. This classic five stage model comprises the essence of consumer behavior under most contexts. Nevertheless, the management of marketing issues at each stage in the virtual environment has to be resolved by individual E-marketers.

Benedict et al (2001)\textsuperscript{41} in his study on perceptions towards online shopping reveals that perceptions toward online shopping and intention to shop online are not only affected by ease of use, usefulness, and enjoyment, but also by exogenous factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping.

According to Lee and Turban (2001)\textsuperscript{42} study which is based on the trust factor in online shopping, concluded that the consumers choose not to shop online because of lack of trust. It also found that the attitude towards security transactions such as payment security, consumer information privacy, return policy and product supply guarantee play a vital role in online shopping. Besides, this study, explores the lack of physical contact in terms of tangibility, as a discouraging factor for the consumers to go in online shopping. Another factor considered in this study focus previous online shopping experiences and found that the consumers continued purchase behavior in the internet and their future plan to purchase because they are satisfied with online shopping.

\textsuperscript{40} Schiffman et al., (2001), Consumer Behaviour Theory.
\textsuperscript{41} Benedict et al (2001), Perceptions towards Online Shopping.
\textsuperscript{42} Lee and Turban (2001), An Integrative Model of Consumer Trust in Internet Shopping.
experiences. The consumers perceived risk tend to reduce when they are satisfied from the online shopping experiences. This study is found to be one of the useful pieces of research evidence to incorporate these three variables as vital in the determination of online shopping behavior of the respondents.

**Wolfinbarger, et al., (2001)**\(^{43}\), attempted to identify the online shopping behavior of consumer using some distinguished situational factor such as time pressure, lack of mobility, geographical distance, need for special items and attractiveness of alternatives. This study identified the major influence of these factors in identifying the attitudinal behavior in shopping online because of changes in lifestyle, comfort in terms of timings and distance between the traditional areas to shopping mall. This study has provided some vital clue on the influence of the above factors in the determination of online shopping behavior and online shopping design.

**Menon and Kahn (2002)**\(^{44}\) study states that “arousal” is the degree to which a person feels stimulated, active or alert during the online shopping experience. A pleasant or arousing experience will have carry-over effects on the next experience encountered if consumers are exposed initially to pleasing and arousing stimuli during their Internet shopping experience, they are then more likely to engage in subsequent shopping behavior: they will browse more, engage in more unplanned purchasing, and seek out more stimulating products and categories.

**Menon and Kahn, 2002; Mathwick et al., (2001)**\(^{45}\), say that if consumers enjoy their online shopping experience, they have a more positive attitude toward online shopping, and are more likely to adopt the Internet as a shopping medium. In our framework, we identify three latent dimensions of “enjoyment” construct, including “escapism”, “pleasure”, and “arousal”. “Escapism” is reflected in the enjoyment that comes from engaging in activities

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\(^{44}\) Menon and Kahn (2002) - What Drives Consumer to Shop Online.

\(^{45}\) Menon and Kahn, 2002; Mathwick et al., (2001) - Drivers of Shopping Online.
that are absorbing, to the point of offering an escape from the demands of the day-to-day world. “Pleasure” is the degree to which a person feels good, joyful, happy, or satisfied in online shopping.

**Burke et al., (2002)**⁴⁶; Relevant exogenous factors in this context are “consumer traits” “situational factors” “product characteristics” “previous online shopping experiences” and “trust in online shopping” By incorporating these exogenous factors next to the basic determinants of consumers’ perception and intention to use a technology, the framework is applicable in the online shopping context. Together, these effects and influences on consumers’ perception towards online shopping provide a framework for understanding consumers’ intentions to shop on the Internet.

Menon and Kahn, (2002); Childers et al., (2001); Mathwick et al., (2001) concluded that Online shopping features can be either consumers’ perceptions of functional and utilitarian dimensions, like “ease of use” and “usefulness”, or their perceptions of emotional and hedonic dimensions like “enjoyment by including both utilitarian and hedonic dimensions, aspects from the information systems or technology literature, as well as the consumer behavior literature are integrated in our framework. Burke et al., (2002) In addition to these relevant online shopping features, also exogenous factors are considered that moderate the relationships between the core constructs of the framework.

By using a sample of 250 online shoppers, **Ranganthan and Ganapathy (2002)**⁴⁷ found four key dimensions of online shopping namely web sites; information content, design, security and privacy. They concluded that, though all these dimensions have an impact on the purchase intention, security and privacy will have greater impact on the purchase intent of online buyers.

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“Consumer online shopping attitudes and behavior” an assessment carried out by Na Li and Ping Zhang (2002) of Syracuse University, CHINA, reported the significant relationship between some ten select factors that influence the online shopping attitude and behavior. This study has identified the co-factors with the help of some thirty five empirical studies carried out across the globe. The factors identified are external environment, demographics, personal characteristics, vendors/service/product characteristics and website quality as independent variables and attitude towards online shopping, intention to shop online, decision making, online purchasing and consumer satisfaction as dependent variables.

In the course of analysis, the study has employed TWO WAY ANNOVA as a statistical tool to establish the significant relationship and a degree of Variance among the two set of dependent and independent variables. The basic limitation of this study requires an in-depth knowledge in website usage as it is a multi-dimensional and multi-disciplinary phenomenon. It also requires developing a reliable model to validate the measurement of online shopping attitude and behavior.

According to Jun et al. (2004) online consumers apparently want to receive the right quality and right quantity of items that they have ordered within the time frame, promised by the retailers, and they expect to be billed accurately. Accordingly, to be considered as reliable online service providers, one must deliver the promised services within the promised time frame (Van Riel et al., 2003).

The consumers’ buying behavior has been always a popular marketing topic, extensively studied and debated over the last decades while no contemporary marketing textbook is complete without a chapter dedicated to this subject. The predominant approach, explaining the fundamentals of consumer behavior, describes the consumer buying process as a learning.

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48 Na Li and Ping Zhang (2002) - “Consumer Online Shopping Attitudes and Behavior”.
49 Van Riel et al., 2003 - Determinants of Online Service Satisfaction and their Impacts on Behavioral Intentions.
information, processing and decision-making activity divided in several consequent steps:

- Problem identification.
- Information search.
- Alternatives evaluation.
- Purchasing decision.
- Post-purchase behavior

Bettman, 1979; Dibb et al., 2001; Jobber, 2001; Boyd et al., 2002; Kotler, 2003; Brassington and Pettitt, 200350.

Consumers who are aged 25, have more potential to shop in online because of their interest in using new technologies to search for product information and compare and evaluate alternatives. The higher educated consumers are more likely to use internet for their shopping medium because they are most computer literate are the findings of the study conducted by Monsuwe, Delleart and Ruyter (2004)51. In their attempt, they have adopted some five external factors such as consumers personality, situational factors, product characteristics, previous online shopping experiences and the trust in online shopping, that decide the online purchase decision. The consumer personality factor included four demographic variables such as Gender, Age, Income and Educational level. This study has also found out the influence of the five external factors across four demographic variables and the factors deciding the online purchase behavior, the degree of significance in this regard is the positive aspect of this research. However that this study ignored the influence of security issues, risk factors and the trust elements in online shopping, in its research ambit is quiet discouraging.

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50 Bettman, 1979; Dibb et al., 2001; Jobber, 2001; Boyd et al., 2002; Kotler, 2003; Brassington and Pettitt, 2003 - Influencing the Online Consumers Behaviour.

51 Monsuwe, Delleart and Ruyter (2004), Drivers of Shopping Online.
Thompson S.H. Teo and Pien Wang and Chang Hong Leong (2004)\textsuperscript{52}, of National University of Singapore carried out their research entitled “Understanding online shopping behavior using a transaction cost economics approach”, across 658 and 660 respondents respectively from USA and China selected at snow bowling sampling technique. The absolute aim of their study is to test the online shopping behavior of the cross country conscience using a Transaction Cost Economics (TCE) as a single measure that is responsible in the determination of online shopping behavior. In this process, they adopted some 6 antecedents such as product uncertainty, behavioral uncertainty, convenience, economics utility, dependability and assets specificity that drive consumer willingness to buy the product online. In order to have a meaningful inference, the confirmatory factor analysis (SETA) was adopted and the results reveal that the transaction cost has a negative relationship with consumers’ willingness to buy online. The results also show that behavioral uncertainty and asset specificity are positively related to the transaction cost while convenience and economic utility are negatively related to transaction cost among US consumers than those in China. The encouraging feature of this research is, it has adopted some distinguished uncertainty variables, which has not been used in earlier researches. The only deficient aspects of this research is a over emphasis on transaction cost. But in reality, this is not the only factor that determines the online shopping behavior of consumers. There are more key variables such as previous online purchase experience; online stores, security concern and other risk factors that are totally neglected.

The work of Efthymioes Constantinides (2004)\textsuperscript{53} entitled "Influencing the online consumer’s behavior" attempted to analyze the influential factors of online consumer behavior across the consumers of Netherlands. In his research process, he has categorized the determinants of online purchase behavior as functionality factors namely usability (convenience, site navigation, information architecture, ordering and payment process, search facilities, site speed and


\textsuperscript{53} Efthymioes Constantinides (2004) "Influencing the Online Consumer’s Behavior".
accessibility) and interactivity (customer service, interaction with the companies, customization and network effects). Psychological factors wiz: online trust which includes transaction security, customer data abuse, customer data safety, uncertainty reducing elements and guarantees/return policies. Content factors consisting of aesthetics (design, presentation quality, design element, style/atmosphere) and marketing mix (communication, fulfillment, product price and promotion). The study finally finds the relevance of these factors in online decision making process. It also identified the similarities and differences between the online purchase behavior and traditional purchase behavior. It also identified the significant role of psychological elements and content elements in online shopping. Unlike the other research works, this above study has adopted an exhaustive list of variables that determine the online purchase decision. However, the above study is not free from lacunae i.e., web experience requiring specialized, knowledge, skill etc.

“What drives consumers to shop online”, is the research work carried out by Tonita Perea Y Monsuwe, Benedict G.C. Dellaert and Ko De Ruyter (2004)54 of Maastricht University, Netherlands. They attempted to examine the consumers attitude towards online shopping cross US and Europe and their intention to shop on the internet using Technology Acceptance Model (TAM). In this endeavor, they adopted some exogenous factors such as consumer traits, situational factors, product characteristics, previous online shopping experience and trust in online shopping. The study finally identified the influence of these factors on attitudes towards online shopping and intention to shop online. The study also finds that the consumers online purchase behavior hinges on three main determinants such as usefulness, ease of use and enjoyment.

The above study has adopted only some select determinants of online purchase decision. Over emphasis given to usefulness, ease of use and enjoyment. The price/cost factor is totally neglected. But in reality, the modern consumers are more rationalist and cost conscious. Besides the security issues

and risk factors involving on online shopping which are completely excluded from this research ambit is the discouraging factor in this piece of research work.

There are a number of streams of research that are relevant to this study. These include those addressing the factors that have significant effect on online shopping Shergill and Chen, 2005; Phau and Poon, 2002; Jarvenpaa and Todd, 1997; George, 2002; George, 2004; Ward and Lee, 2000; Hellier et al., 2003). Identifying the factors that were found to be significant in previous research about online shopping. In this research emphasis was on the four factors i.e. overall website quality, commitment, customer service and web security which is also defined by Shergill and Chen (2005) in their empirical study in New Zealand. Overall website quality of a web page is one of the most important factors that influence online shopping. He also identified web site design characteristics as the dominant factor which influences consumer perceptions of online purchasing.

The study of Jiang and Rosembloom (2005), found a strong and positive correlation between price perception and shopping convenience. It also found that the online shoppers who value convenience can obtain the benefit of product and services with less money spent which have a positive relationship with shoppers excitement increasing search efficiency by eliminating travelling cost and psychological cost brings convenience in E-shopping. It suggested that the price will be a privacy factor when consumers search product in a web and this would show that consumers behavior intention are related to the price queues that are more readily accessible from memory.

Faya Zheng (2006) of University Of Nottingham in his study entitled “Internet Shopping and its impact on consumer behavior” examined the comparative online behavior of consumers of UK and China by selecting 47

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and 779 respondents respectively through online questionnaire. In this process he has considered some factors that influence the online behavior in both the countries viz: company profile and brand, security, customer service, product information, websites, cost and speed of delivery, simplicity of purchase process, protection of privacy, website speed and response, website interference, personalized offers and after sales service. “Information Research Factor” has been emerged as the single most factor that mostly influence the online purchase behavior across all the respondents from both the countries, in this study.

The study of Pan (2007)\textsuperscript{58} entitled “Consumer purchasing decision in online and offline stores for apparels”. This comparative study has identified some six vital factors that influence the consumers purchasing decision in online and offline. The variables considered in this study are price attractiveness, time saving, perceived risk, enjoyment and excitement, tangibility and high interactivity. This study has found out that there is an influence of above factors in some way in the purchase of apparels on both online and offline shopping. The study has singled out the purchasing intention as the most influential factor that determine the online and offline purchasing decision. The eagerness of purchasing the product has emerged as the single most factors in this study. The distinguished aspect of this research is the inclusion of the risk factor unlike the other piece of research work. This study has also emphasized that the perceived risk of the online customers is the main factor that inhibits the online purchasing decision.

“Perception Towards Online Shopping: An empirical study of Indian consumers” is the study conducted by Zia Ul Hak (2010)\textsuperscript{59} found that the perception of online shoppers is independent of their age and gender but not independent of their education and gender and income and gender. The absolute aim of this research is to examine whether the online retailers know

\textsuperscript{58} Pan (2007), “Consumer Purchasing Decision in Online and Offline Stores for Apparels”.

\textsuperscript{59} Zia Ul Hak (2010), “Perception Towards Online Shopping: An Empirical Study of Indian Consumers”.
the factors effecting Indian consumers buying behavior and the association between these factors and type of online buyers. In this endeavor, the study identified four dimensions of online shopping such as website quality, commitment factor, customer service and security as factors influencing behavior of online consumers.

This study was conducted across the online shoppers in the twin cities Hyderabad and Secunderabad using 200 sample respondents drawn from four demographic factors such as Gender, Age, Income and Education. For the measurement of perception, Likert’s 5 point scale was adopted and statistical tools such as factor analysis, non-parametric Chi-square test, Beta co-efficient and T-test were employed during the analytical construct to have a meaningful inference and to generalize the findings of this research. The positive point of this study is the adoption of four factors and four demographic variables for cross sectional comparisons and required depth. The online shopping perception of consumers can be pursued with as many factors as possible since the study of perception do not rely on this four factors alone, is the discouraging factor of this study. These lapses are removed in the present study by incorporating the exhaustive list of variables that influence the perception of Indian consumers on online shopping.

Biz Arena (2010)\textsuperscript{60} reported in its study entitled “online buying trend analysis” that the most desirable features of the product is determinant of online shopping, followed by brand of the product. The study has adopted some variables such as disposable income, desired features (mandatory and optional), expectations, qualities, life of the product, brand choice, after sales service, aspiration values etc. The study was conducted on individual and group buying sample respondents, covering the entire age group of the respondents. Individual respondents were selected at random. The trend in online buying was analyzed with the help of market. Share of the brands was assessed using method of least square as a statistical tool for trend analysis.

\textsuperscript{60} Biz Arena (2010), “Online Buying Trend Analysis”.
Parikh Dharshan (2011) carried out the study entitled “customer acceptance of internet shopping in INDIA, impact of shopping orientation, knowledge and security” attempted to examine the behavior and behavioral intention of internet shopping among the INDIAN customer using comprehensive technology acceptance model. This study had adopted variables such as shopping orientation, security privacy concerns, perceived usefulness, perceived ease of usage, attitude towards using, compatibility, shopping preferences, product information, shopper’s lifestyle, behavioral intention, actual behavior etc. In the course of this research, this study has employed the statistical tool like canonical correlation analysis, simple and multiple regression to test the hypothesis using SPSS package 12.0. Finally this study found out that the influence of security and privacy concerns are detrimental to online shopping decision.

Rich Relevance (2011), an American Online Consumer Reporting Agency analyzed the online shopping behavior on major US retail websites. The study examined how their behavior varied depending on various determinants. It found that online shopping is influenced by offers, incentives and free shipping. Social media such a Facebook and Twitter are considered to be the main source of online shopping.

The study of Barry Silverstein (2011) entitled “Social shopping study” in association with reviews and e-tailing group revealed that thorough information about the products and beat competitive prices are the two factors that influence the online shoppers. More than 71% of the respondents said that they spent most of the time with search engines to get the information about the products when it comes to the question of electronic products. It also finds that the social media like Face book and Twitter are not considered to be the influential factors when they went to purchase online. There is a huge variance in behavior among the male and female online shoppers. The study further

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63 Barry Silverstein (2011) - “Social Shopping Study”.

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claims the adoption of twin factors (product information and price) is the deficient aspect of the study as it fails to look beyond these two factors. The online shopping behavior is determined by very many factors, in reality which were not given due weightage in this study.

The study conducted by Juxt Consult (2011)\(^{64}\) entitled “India Online Landscape 2011” reported that internet growth noticeably more in metros and urban uptowns than Rural India. The findings also reveal that online buying is picking momentum in India. To substantiate this claim, the study has identified that 4 out of 5 internet users shop online. The products that are purchased often online are found to be mobile phones and accessories (56%) , computer hardware and consumer electronics (35% each) and movie tickets (30%). During the course of this study, it has considered 2,01,839 sample respondents across all four regions of the country covering households in 104 cities and 766 villages covering both regular and occasional users of computer and mobile based internet users. These samples were selected at random using both Two Stage Random and Systematic Random techniques. Due weightage was given for website preferences, consumption and lifestyle preferences, socio economic status, brand preferences, media preferences etc.

The study of S.D Singh (2011)\(^{65}\) of Magadh University examined the emerging awareness of elderly consumers on Green Marketing in his research entitled “A Study of Consumer Behavior of elderly Consumers with Special Reference to Green Products”. This study had a focus on the awareness of elderly consumers using the factors that influencing their buying decision. 100 respondents were selected under convince random sampling method and Chi Square Test was used for testing the hypothesis. This study has considered some determinants of buying behavior such as quality, convenience, promotional strategy, information, cost and other technical aspects of environmental friendly goods. This study has considered only some limited

\(^{64}\) Juxt Consult (2011) - "India Online Landscape 2011".
\(^{65}\) S.D Singh (2011) - “A Study of Consumer Behavior of Elderly Consumers with Special Reference to Green Products”.
variables that determine the behavior of online consumers. The most 
discouraging factor is that the study focused on the online consumers belonging
to the age group of 60-85. In practical sense, most of the online shoppers
belong to other than the specified age group. The age group considered in this
study was not the potential category of online shoppers.

The price of the product has a positive relationship with consumer 
buying behavior but product quality plays a second fiddle in online purchase
decision are the findings of the study conducted by Ansir Ali Rajput, Sabir 
Hussain Kalhoro (2012). The report also reveals that the respondents give
more focus to price rather than the quality because of low income level. This
study has considered some selective variables only in the determination of
online purchase behavior. These two factors were over emphasized in this
study but in reality these factors alone do not influence the online purchase
behavior. The influence of other vital factors is not considered in this study,
which is the glaring deficient aspect.

Wahida Farzana (2012) explored how consumer’s psychological
factors are associated with brand equity of laptop. This study has considered
motivation, perception and attitude as sub factors among the psychological
factors that determine the online purchase decision. Brand loyalty, brand
association, perceived quality and brand awareness were considered as sub
factors in brand equity. This study has also found out the influence of family
members while buying high involvement products. The associations between
the variables are tested with the help of Chi-square analysis. The study has also
found out the direct association between attitude and perception and ranked the
Apple Laptop as the first choice. The positive aspect of this piece of research
work is the adoption of seven factors as the determinants of online shopping
behavior. The deficient aspect of the study is the negligence of risk factors and
security issues of online transactions.

Ansir Ali Rajput, Sabir Hussain Kalhoro (2012) - Impact of Product Quality and Price on
Consumer Buying Behavior.
Wahida Farzana (2012) - Consumer Psychological Factors Association with Brand Equity
of High Involvement Products.
Financial risk and non-delivery risk negatively affect the attitude towards online shopping. Domain specific innovative and subjective norms positively effecting online shopping behavior are the findings of the study entitled “An analysis of factors on behavior of consumers” conducted by Mohammed Hossein Moshref, Hossein Razaei Dolatabadi Moytaba Nourbaksh, Amir Poursaeedi and Ahmad Reza Asadollahi (2012), University of Isfahan, IRAN.

The authors examined the influential character of some selected factors affecting online shopping behavior of consumers across IRAN by selecting five big stores with the help of 200 randomly selected online shoppers consisting of 44.9% female customers and 55.1% of male customers. In this endeavor, they have adopted regression statistical tool and Likert’s 7 point scale as a measure for responses. The factors/determinants considered in this study are financial risk, product risk, convenience risk, non-delivery risk, infrastructural variable, return policy, attitude, subjective norms, perceived behavioral control and domain specific innovativeness as independent variables. It also considered the dependent variable such as attitude and online shopping behavior. Though this study has incorporated some twelve variables, it is not free from lapses. The study has excluded better sites like Amazon.com out of five online stores. Cultural aspects have been completely omitted from the research ambit since these factors also have some role to play in online shopping.

The next Chapter deals with the Profile of various E-Retailing Websites.

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