Chapter-1

Introduction

1.1. Introduction

The use of the Internet as a channel of information and commerce is growing at a fast pace in India. The Indian e-commerce market is estimated to be Rs.50,000 crore, witnessing a growth rate of 50% annually and has increased 500% since 2007. However, another important fact to consider is that out of 137 million Internet users in the country, only 25 million shops online, that is just 18% of the total Internet population (IAMAI Report, 2013). This is because online shopping, besides conferring its consumers with several benefits, also increases the uncertainty involved in purchase decisions. In other words, consumers perceive a higher level of risk while shopping on the Internet.

To survive in the midst of intense competition, most of the companies are looking for unconventional ways of marketing. Internet is perhaps the best unconventional form of marketing that has been embraced by the companies. As the internet has been expanding, it has become a popular marketing channel (Cho and Park, 2001). Internet is an “anytime anywhere” medium (Ramaswamy & Namakumari, 2002) that has given birth to entirely

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1 Indian Journal of Marketing: January 2014, p.22.
new business models and opened completely novel opportunities for global marketing. Recognition of the operation efficiency and effectiveness of the internet is increasingly driving managers in traditional companies to conduct transaction on the internet (Chakraborty et al., 2002). Many companies have adopted internet for conducting business transactions and sharing business information with their customers and business partners (Torre and Moxon, 2001). Ghose (1998) predicted rightly that the internet is fast becoming an important channel for commerce in a range of businesses. **The internet offers direct links with customers and suppliers, and facilitates transactions, processes and information transfer** (Walters and Lancaster, 1999). It offers organizations inexpensive and sophisticated tools for advertising, taking and placing orders, promoting their philosophies, and communicating with their customers all over the world (Palumbo and Herbig, 1998). The internet provides a marketplace where buyers and sellers conduct transactions directly, interactively, and in real time beyond the physical limitation of traditional brick and mortar retailers (Brynjolfsson and Smith, 2000; Butler and Peooard, 1998; Griffith and Krampf, 1998; Peterson et al, 1997). **Today, almost all business firms use the internet to provide information about the firm, their product or services on the offering, and advertise and sell their products or services.** The internet offers a high degree of interaction and affords customers unprecedented benefits, from convenience to bargain prices. The ever increasing mainstream activity on the
internet has opened up a whole new value of gaining customers. Thousands of companies, particularly retailers, were drawn onto the internet by a fear that they would be left behind by online only competitors (Welling and White, 2006). Thus, what started as a separate form of innovative retailing in the exclusive domain of new entrepreneurs has become part of a multichannel strategy for established retailers (Grewal et al., 2002). Studying attitudes is helpful in understanding the potential relationship to behavior (Robbins, Judge, and Sanghi, 2009). Marketers should be interested in their customers’ attitudes because attitudes provide warnings of potential dissatisfaction among customers. Satisfied customers will become loyal to the company. Given the fact that marketers want to keep dissatisfaction down, especially among loyal customers, they will want to do things that result in positive attitudes among customers. This is more important for e-marketers as the customers are skeptical due to the element of high perceived risk and uncertainty associated in an online environment. Technological developments have transformed the internet into a mainstream business medium, while at the same time, online customers are maturing and virtual marketers realize the important for a professional and customer oriented approach (Constantinides, 2004). As access to the internet is increasing worldwide, customers’ purchasing behaviors are changing drastically. India has an estimated 45.3 million active internet users as in 2008 according to results of a study conducted by Internet and Mobile Association of India (IAMAI). In India,
internet penetration is becoming more widespread because of a number of reasons. The primary reasons are bandwidth becoming readily available, low internet tariffs, and cheaper computers hardware. The growing usage of the most interactive medium, the internet, among Indians provides an opportunity for undertaking a fundamental research to understand, the attitude of Indian customers towards online shopping. E-marketers in India can develop their online marketing strategies if they know what drives the customers toward online shopping.

1.2. Issues in Online Shopping.

The online shopping involves the issues relating to Consumer, marketing, and technology that most often are noted as influencing online shopping attitudes.

Consumer Factor

The consumer factor was suggested as important to online shopping and items included were: privacy, security, time saving, ease of use, convenience, enjoyment, previous experience, company reputation and tactility (Udo, 2001).

Privacy

Privacy in a communications system or network is defined as a protection given to information to conceal it from others access by the system or network (Komiak & Benbasat, 2004). Privacy concerns were the most frequent reason cited by consumers for not making online purchases (Byford,
The majority of studies suggested that respondents were concerned that information might be used to send them unwanted offers by this or other companies or accessed by a third party for non-authorized activity (Business Week, 2000; George, 2002; Lenhart, 2000; Wang, Lee & Wang, 1998).

**Security**

Security is defined as that which secures or makes safe; protection; guard; defense (Komiak & Benbasat, 2004). In this study, the term security was used in terms of financial security while privacy was the protection of personal information (Bhianmani, 1996; Burroughs & Sabherwal, 2002; Komiak & Benbasat, 2004; Moda, 1997; Salisbury, Pearson, Pearson & Miller, 2001; Udo, 2001). Online retailing has greater perceived security risks by consumers than does traditional brick and mortar retailing (Houston, 1998; Kuczmarski, 1996). Research suggested that most consumers fear the risk of misused credit card information (Bhimani, 1996; Fram & Grady, 1995; Gupta & Chatterjee, 1996; Houston, 1998; Kuczmarski, 1996; Poel & Leunis, 1996).

To increase online shopping, merchants need to take the proactive steps to minimize the consumer’s feeling of risk (Houston, 1998; Salisbury et al., 2001). One method of doing that includes building of consumer’s trust in the online store (Cheskin Research, 1999; Komiak & Benbasat, 2004 Quelch & Klein, 1996). In the area of financial security, this meant proving the
merchant’s ability to safeguard personal data (Cheskin Research, 1999; Jarvenpaa, Tractinsky & Vitale, 2000; Quelch & Klein, 1996; Singh & Sirdeshmukh, 2000). Garbarino and Johnson (1999) have proposed a satisfaction-trust-commitment-repurchase intention model and found that consumers satisfaction would build trust which led him or her to repeat the purchases.

**Time**

Becker (1965) noted that the efficient use of time was a critical issue for the modern time-scarce consumer. Internet shopping can be viewed as a time saver for the shopper and the buyer (Alreck & Settle, 1995; Lohse, Bellman & Johnson, 2000; Then & DeLong, 1999). As such, time positively influences Internet shopping as it can eliminate trips to the store and the long lines and delays when at the store (Alreck & Settle, 2002; Bhatnagar, Misra & Rao, 2000; Donthu & Garcia, 1999; Eastlick & Feinberg, 1999).

**Ease of Use**

According to Kunz (1997) and Taylor and Cosenza (1999), ease in using the Internet as a means of shopping positively impacted the consumer’s online shopping behavior. A similar finding was noted by Segars and Grover (1993) and in Rogers’s adoption innovation model (1995).

**Convenience**

One such attitude that influenced the non-store shoppers has been that of convenience (Berkowitz, Walton & Walker, 1979; Eastlick & Feinberg, 1999;
Gehrt & Carter, 1992; Settle, Alreck & McCorkle, 1994; Shim & Drake, 1990; Shim & Mahoney, 1991). The non-consumer’s primary motivation was to save time, money, and hassles associated with in-store shopping. Nonstore shoppers sought to solve these issues by utilizing catalogs, cable television shopping, Internet, and other shopping formats (Stell & Paden, 1999). The same attitude of convenience carried over to the consumer’s Internet shopping’s behavior. Convenience has been noted as positively influencing online purchasing behavior as it eliminated the necessity of having to travel to one or more stores. (Anderson, 1971; Eastlick & Feinberg, 1993; Gehrt & Carter, 1992; Settle et al., 1994; Stell & Paden, 1999). Internet shoppers more highly value convenience than did non-Internet shoppers (Bellman Lohse & Johnson, 1999; Donthu & Garcia, 1999).

**Enjoyment**

Enjoyment in shopping can be two-fold: enjoyment from the product purchased as well as the process of shopping itself. Online shopping like in-store shopping, provided both types of enjoyment and such enjoyment can positively or negatively influence online shopping (Eastlick & Liu, 1997; Forsythe & Bailey, 1996; Kunz, 1997; Taylor & Cosenza, 1999).

**Previous Experience**

Studies have found that more years of computer experience and use had a positive, direct effect on the user’s acceptance of information technology (Balabanis & Reynolds, 2001; Bear, Richards & Lancaster, 1987; Burroughs
& Sabherwal, 2002; Citrin, Sprott, Silverman & Stem, Jr., 2000; Jarvenpaa & Todd, 1997; Kay, 1993; Klein, 1998; Liang & Huang, 1998; Lohse, et al., 2000; Moore & Benbasat, 1991; Salisbury, et al., 2001). This suggests that consumers with more years of computer use would be more likely to adopt the Internet for purchasing. Related technology variables identified by O’Keefe et al. (1998) included technology skill and the technology anxiety as significant elements that predicted online buying behavior.

**Company Reputation**

Having a positive company reputation can reduce the consumer’s perceived risk of trying a new means of distribution (Srinivasan, Anderson & Ponnavolu, 2002). Such a reputation is developed over time through long-term relationships with the consumer. A retailer’s reputation is partially built on the customer’s ability to have direct face-to-face contact with the store and its management (Schiffman & Sherman, 2003; Stephen, Hill & Bergman, 1996). Online stores, by not having direct contact with the consumer, may have a more difficult time of establishing a reputation, thus decreasing the likelihood of online buying.

**Tactility**

The last consumer issue is the ability to test, in terms of touch and sight, a product before buying. Consumers express apprehension when buying a product without a tactile examination (Bhatnagar, Misra & Rao, 2000).
Marketing Factor

Product Quality and Variety

When shopping, consumers want a broad range of quality, price, and variety in products. The online market allows for such diversity thus potentially increasing online sales (Eastlick & Liu, 1996; Kunz, 1997; Taylor & Cosenza, 1999).

Product Promotion

Product promotions attempt to influence the consumers’ purchasing behavior (Blattberg & Wisniewsk, 1989; Bolton, 1989; Mulhern & Leone, 1991; Walters & Jamil, 2000; Woodside & Waddle, 1975). Like other retail methods, online channels have various promotional tools such as corporate logos, banners, pop-up messages, e-mail messages, and text-based hyperlinks to web sites. These type of promotions have positively affected Internet buying (Ducoffe, 1996; Gallagher, Foster & Parsons, 2001; Hirschman & Tompsoon, 1997; Korgaonkar, Karson & Akaah, 1997).

Delivery Methods

Online purchasing typically involves the use of a delivery service because of the physical separation between the buyer and seller. For the consumer, this separation brings a concern about the time lag between when a product is ordered and when it is received as well as the potential added cost of delivery. These concerns had a negative effect on online shopping. (Eastlick & Feinberg, 1994; Klassen & Gylnn, 1992; Tedeschi, 1999; Yrjola, 2001).
Return Policy

The separation of buyer and seller noted above also plays a role in the consumer’s level of comfort in regard to product returns. Today, businesses often respond to a customer’s request to return a product by offering to repair, substitute, or refund the customer’s money. In the case of online shopping, where the majority of products have been delivered through some third-party means, the customer is now faced with utilizing a similar service in the return process, an additional inconvenience and potential expense. These issues negatively affected online shopping behavior (Kunz, 1997; Taylor & Cosenza, 1999). It is important to note that since online shopping does not allow a consumer to examine the product before purchasing, online shopping has experienced higher return rates when compared to traditional retailing (Bhatnagar, et al., 2000). By the year 2005, it is estimated that 90 million items bought online will be returned (Forrester Research, 2002). By offering an easy and cheaper way to return items, customers would be more likely to buy from an online store (Kunz, 1997).

Customer Service

Walsh and Godfrey (2000) suggested that e-tailors might have an advantage over brick and mortar counterparts in the area of customer service with their use of personalized web sites, product customization, and value-added work. Similarly, Kunz (1997) asserted that individuals who sought customer service were likely to purchase at the online store. On the other hand, the product
delivery and product return issues may negate the perception of personal service (Schneider & Bowen, 1999). Modern consumers put a premium on personal service (Scott, 2000). The lack of face-to-face service is certainly a limitation for Internet shopping and may negatively affect it (Schneider & Bowen, 1999).

Technology Factor

To a degree, online buying will depend on the efficiency and availability of the technology (Bell & Gemmell, 1996; Hoffman, Kalsbeek & Novak, 1998). Three main technological factors were suggested as important to online shopping: the availability of personal computers and Internet access, download time and representativeness of pictures and colors (Eroglu, Machleit & Davis, 2003; Seckler, 1998).

Availability of PC/Internet access

For online shopping to expand, the potential customer must first have access to a computer that has an Internet connection (Cho, Byun & Sung, 2003). In the USA, 62.5% of all households had a personal computer and 42.9% or 45.9 million households are actively connected to the Web (E-Marketer, 2002). Although practically all Americans can access the Internet from a public system, such as at libraries, doing so may represent a higher level of actual or perceived risk by revealing personal information on such public systems (Seckler, 1999).
**Downloading Time**

When a shopper visits a website, the visit involves time for the web page to be transmitted to the monitor. This time lag is of concern for e-tailers as users show little patience for slow downloads. Excessive download time negatively affects online shoppers‘ behavior and frustrated users left the site, abandoning their shopping carts and building negative opinions about that site and the company‘s reputation (Bank, 1997; Bell & Gemmell, 1996; Cho, Byun & Sung, 2003; Fram & Grady, 1997; Hoffman, Kalsbeek & Novak, 1998; Iacobucci, 1998; Internet Shopping, 1998; Katz, Larson & Larson, 1991; Larson, 1987; **Peterson, Balasubramanian & Bronnenberg, 1997**; Powell, 2001; Rebello, 1999; Weinberg, 2000). Powell (2001) maintained that a typical consumer will only allow eight seconds or less for download time creating a design and technology issue. It is estimated that in 2000, $4 billion in retail revenue was lost due to slow Internet downloads (U.S. Department of Commerce, 2003).

**Representativeness of Pictures and Colors**

Consumer behavior is also impacted by the accuracy of the product/s displayed. Varying technology may make it difficult to represent the true colors or dimensions of a product. This distortion made consumers uneasy about making an online purchase therefore, negatively affecting online shopping behavior (Eroglu, Machleit & Davis, 2003). The final broad area of online shopping research studied has been the evaluation of what products are
best suited to the online retail model (Liang & Huang, 1998). Researchers reported that certain product categories sell online better than others (Alba, et al., 1997; Klein, 1998; Peterson, Balasubramanian & Bronnenberg, 1997; Vijayasarathy, 2002). Rosen and Howard (2000) found that services such as travel, airline tickets, and financial services dominated business to consumer online sales. In the area of products, those products that were standardized or might be considered homogeneous, such as books, music and videos, had an advantage over differentiated or heterogeneous products (Liang & Huang, 1998). Another way to classify products is based on their tangibility, homogeneity, and differentiability. Search goods require less direct examination (such as books, computer software, etc.) and are therefore perceived as less risky to buy online as opposed to experience goods where customers want some assurance of quality, color, and construction (Klein, 1998; Liang & Huang, 1998; Vijayasarathy, 2002). Internet buyers of experience goods had the highest amount of consumer dissatisfaction than did other product categories (Engel, Blackwell & Miniard, 1995; Klein, 1998; Liang & Huang, 1998; Rosen & Howard, 2000).


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performance, and risk of time loss into non personal risk factors and psychological and social risks into personal risk factors. Several researchers have also tried to identify dimensions of perceived risk in online shopping context (Naiyi, 2004; Jarvenpaa & Todd, 1996; Torkzadeh & Dillion, 2002; Zhang, Tan, Xu & Tan, 2012). In addition to the traditional dimensions of perceived risk, Jarvenpaa and Todd (1996) added security and privacy risk for online shopping environment and Torkzadeh and Dillion (2002) added source risk.

1.3. Ten Best Online Shopping sites in India

We have ample of online shopping sites in India. Each online shop has different products and features. By analyzing each products, features and facilities available, we have picked top 10 online shops in India. Below is the list of top 10 online shops in India.

1.3.1. www.flipkart.com

3 www.thechennaitimes.com
One of the best online shops to buy Books & Electronic products.


Facility: Free Delivery, Cash on Delivery, 30 Days Return Policy, Online Payment, Phone Order.

1.3.2) www.letsbuy.com

A complete Online store!

- Products: Mobiles, Computers, Cameras, Electronics, Kitchen Ware, Watches, Home Appliances, Stationery, Health care, Gaming, Toys, Sports.

- Facility: Free Delivery, Cash on Delivery, Online Payment, Phone Order.
1.3.3) www.yebhi.com

Best Online shop for Lifestyle

- Products: Clothing, Shoes, Bags, Lifestyle, Jewels & Watches, Home & Kitchen, Lingerie.

- Facility: Free Delivery, Cash on Delivery, 30 Days Return Policy, Online Payment, Phone Order.
1.3.4. www.futurebazaar.com

An Online shop by Future Group

- **Products**: Home Appliances, Electronics, Fashion Products, Personal & Home care, Gift Vouchers, Gifts & Ideas.

- **Facility**: Free Delivery on orders above 500, Cash on Delivery, 15 Days Return Policy, Online Payment, Payback to earn points.
1.3.5. **www.ebay.in**

Oldest online shopping, yet the best one

- **Products**: A – Z all products available from different vendors on the ebay.
- **Facility**: Free Delivery on certain products, Online Payment, PaisaPay.
1.3.6 www.landmarkonthenet.com

LandMark

- **Products**: Books, Cameras, Gaming, Movies & Music, Mobiles, Toys and Giftcards.
- **Facility**: Cash on Delivery, 7 Days Return Policy Online Payment, Phone Order.
1.3.7 www.myntra.com

A Complete store for Clothing

- Products: Clothing, Accessories & Footwear for Men, Women & Kids.
- Facility: Free Delivery, Cash on Delivery, 30 Days Return Policy, Online Payment, Phone Order.
India’s Largest Online Shoe Store.

- Products: Shoes for Men, Women & Kids.
- Facility: Free Delivery, Cash on Delivery, 100 Days Return Policy, Online Payment, Phone Order.
1.3.9 www.firstcry.com

A perfect shopping site for the new born babies.

- Products: Diapering, New Mom Essentials, Baby cloth, shoes, Bath & Skin Care, Books, CD’s and much more.
- Facility: Free Delivery, Cash on Delivery, Online Payment

1.3.10) www.goodlife.com
This is another site of Firstcry, specially for the Personal & Health care.

- Products: Makeup, Fragrances, Skin care, Hair care, Health supplements
- (Men & Women)
- Facility: Free Delivery, Cash on Delivery, Online Payment.

1.4. Methodology of Online Shopping and their Advantages & Disadvantages.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Convenience. You shop whenever you want to – online shops are never closed.</td>
<td>• Security can be an issue. How safe is it to shop online?</td>
</tr>
<tr>
<td>• Saves time - Much quicker and less hassle.</td>
<td>• You only see a picture of the item you want to buy.</td>
</tr>
<tr>
<td>• Greater choice - You can buy items not available locally.</td>
<td>• Some websites are slow to download. This can be frustrating.</td>
</tr>
<tr>
<td>• Better prices - You can compare prices between suppliers. Internet offers bargain prices not available elsewhere.</td>
<td>• Must wait for delivery.</td>
</tr>
<tr>
<td>• No travel costs, traffic jams or car parking space needed. No queuing at checkouts. Weather doesn’t matter.</td>
<td>• Can incur shipping/postage costs.</td>
</tr>
<tr>
<td>• Convenient delivery.</td>
<td>• Customer service may be poor or not exist.</td>
</tr>
<tr>
<td></td>
<td>• No personal contact. Problems have to be sorted through an email process or FAQs. (Frequently Asked Questions).</td>
</tr>
</tbody>
</table>
The consumers are entitled to the following rights in the online shopping.

- Clear information before you buy
- Confirmation of the orders after it has been placed
- A cooling off period allowing cancellation and a refund
- A full refund if goods are not supplied within the agreed period or within 30 days

The Methodology of online shopping.

Very much the same as you would shop normally. You have a shopping basket. You select items to put in the basket, then you go to the checkout and pay! Except it is all done with a click of the mouse and you don’t have to move from your armchair. The shops can be anywhere in the world and you can make a purchase in a couple of minutes.

Generally, shopping online follows this procedure:

1. Sign in or Register

Sometimes a website will ask you to ‘sign in’ or register first. This is usually free. You may be asked for a password. An account will be created for you and remembered the next time you access the website. You may be asked for your e-mail address so they can contact you.
2. Make your selection

Usually you can get quite ‘gemmed up’ about an item before you buy it. Some websites provide customer reviews, others let you view mini movies or listen to soundtracks before you buy.

3. Add it to your shopping basket

Once you have decided to buy, you click a button telling you to add to basket. You can now buy more items from other pages within the website and everything will be added to the same basket.

4. View the shopping basket

At any stage, you can see what you have in your basket. You can remove an item if you change your mind.

5. Proceed to Checkout and make payment

The checkout is where you will be asked to how you would like to pay. The safest way is by credit card. E.g. Visa, Electron or Delta. Avoid paying by Switch. You should never provide your bank details, sort code or account number. You may be asked your email address.

**TIP: Secure sites**

Most websites which involve supplying financial information are set up as **secure sites**. This means all transferred information will be automatically encrypted (scrambled). These secure sites can be identified as starting off with **https** at the start of the website address in the address bar and a small **padlock** on the status bar.
6. Confirmation of order

The order will be confirmed immediately or by email.

Some shopping website addresses:

www.amazon.co.uk
www.play.com
www.currys.co.uk
www.argos.co.uk
www.tesco.co.uk
www.ticketmaster.co.uk
www.lastminute.com

Department Stores
www.harrods.co.uk
www.johnlewis.co.uk
www.jenners.com
www.bhs.co.uk
www.marksandspencer.com

Specialist shops
www.gadgets.co.uk
www.pcworld.co.uk
www.lakelandlimited.co.uk
www.interflora.co.uk

Travel and holidays
www.directholidays.co.uk
www.cheapflights.co.uk
www.thetrainline.co.uk
www.easyjet.com

Hobbies
www.whatcar.co.uk
www.autotrader.co.uk
www.shopfootball.co.uk
www.anglingdirect.co.uk
www.homecrafts.co.uk
www.antiques.co.uk
www.greenfingers.com
www.jessops-store.com
www.madaboutwine.com
www.diy.com
www.ebay.co.uk

Shopping malls
www.shopsonthenet.com
www.thevirtualmall.co.uk

Compare prices
www.kelkoo.com
www.google.co.uk then click on Froogle

Please note: All website addresses were correct at the time of publication. However, they may change in time.
Surf safely - Take precautions

You can minimise the risks of accessing the Internet by being aware of the potential dangers and taking certain precautions before you go online.

Make sure you have an antivirus program and a firewall installed on your computer. Internet access by children should be protected by parental control software.

Viruses

A computer virus is a piece of man-made code, designed to cause havoc within a computer. Viruses can be spread from one computer to another. Most viruses are transmitted through e-mail. The harm they cause can include displaying unwanted messages, deleting information, causing disruption of the computer’s operation and sending files from your computer against your knowledge, to someone else’s, via the Internet.

Precaution

Install an antivirus program. These will scan a computer for any signs of virus infection. Any virus can be removed. This is called disinfecting. If the virus cannot be disinfected, it will be put into quarantine where it cannot do any further damage.
Unfortunately, new viruses are released every day. Therefore antivirus programs have to be constantly updated to combat the threat. Once you have an antivirus program installed you must **keep it up to date** by downloading antivirus updates from the Internet, on a regular basis.

**Firewalls**

Organisations and individuals (or hackers) routinely scan for any computers that are attached to the Internet, with the aim of breaking in to the computer and stealing information.

**Precaution**

A **firewall** will protect your computer by making it ‘invisible’ when you go online. It will filter the information leaving your computer and going out on to the Internet. You can set your firewall to give different levels of protection.

**Parental Control**

There is content on the Internet which is offensive. All possible steps should be taken to block children accessing such material, which can easily be found accidentally.
Precaution

Parental control software allows you to set filters which will allow or restrict internet content based on a rating System, providing protection from inappropriate websites and chat.

Norton and McAfee supply antivirus, firewalls and parental control software. You can buy each program individually or grouped as part of a ‘security suite’. The software comes as a CD-Rom which you have to install on to your computer. You will then connect to the Internet to receive updates on a regular basis. Usually after the first year you will be asked to pay to receive further updates.

Norton and McAfee are available from WHSmith, Currys, PC World.

Getting on to the Internet

1. Use the mouse to double click the Internet Explorer icon on the desktop.
2. The first web page you will see is the one set as the **homepage**.

On the library computers, you will see the **SBC library homepage**.

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**Menu bar**
If you click on a word you reveal a sub menu.

**Address Bar**
Type the address of the website you want to visit, then click on the green **Go** button.

**Links**
Underlined words or pictures, which will take you to another web page if you click on them.

### Advantages and disadvantages of Shopping Online

Online shopping grows in popularity more people are turning to.

**Standard buttons toolbar**
- **Back** will take you to the previous page
- **Stop** Click to stop downloading a page.
- **Favourites** lets you compile a list of your favourite websites

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**Title bar**
Shows the title of the current web page

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[http://blog.modernsensibility.com](http://blog.modernsensibility.com) Monday, April 1, 2013
can now we are purchased via the internet. A lot of pros have come from this; no waiting in lines or in traffic, you can shop from the convenience of your home in

3. Once you are on the homepage, you have a choice:
You can **click on any links** within the homepage to take you to other pages.
You can **enter the address** of a website you want to visit into the address bar.
Click **Go**.
You can click the **Search** or **Favourites** button.

skip the trip and purchase their sofas and other home furnishing from the comfort of their home. With that said, here is some food for thought before you shop online.

**Recently shopping online has become very popular because of the vast availability of internet.** Online shopping is one kind of E-business where one consumer can directly shop over the internet. **Ebay and Amazon are the 2 most popular and trusted website for shopping online.** Millions of products are sold all over the world through this E-business model.

**Now-a-days, many people prefer to shop online because it's numerous benefit.** Besides many advantages, Shopping online has got many disadvantages as well. This article will contain some useful information about the advantages and disadvantages of shopping online.
1.6. Importance of the study.

Prior research has focused on a number of predictors of customers’ online shopping attitude, but few studies have been done in the Indian context. Hence, more research studies are needed to study Indian consumers’ attitude arising as a result of the shift from in-store to online shopping. Considering the growing popularity of the online shopping in India and their importance to the consumers, the present study has been taken up.

1.7. Major Objectives of the Study

1. To examine the ‘Origin and growth of Online Shopping in India’.

2. To study the ‘Advantages of Internet and online Shopping to the customers’.

3. To examine the ‘Demographic profile of the Respondents’.

4. To study the ‘Facilitating and Encouraging factors of online Shopping’.

5. To study the ‘Perception, Awareness and Satisfaction of the sample respondents’.

6. To study the ‘Perceived risks associated with online Shopping and to suggest a model to safeguard the interests of the customers’.
1.8. Hypotheses

H 1: There is Association between Age and Online Shopping.

H 2: There is Association between Monthly Family Income and Online Shopping.

H 3: There is Association between Frequency of Internet Use and Online Shopping.

H 4: Time spent Per Internet Session and Online Shopping are related.

H5: There is a significant negative impact of perceived financial risk on attitude towards online Shopping.

H6: Perceived product risk negatively impacts attitude towards online shopping.

H7: There is a significant negative impact of time risk on attitude towards online shopping.

H8: The fear of not delivery or delivery of damaged or inappropriate products has a negative impact on attitude towards online shopping.
1.9. Sample & Research Methodology

Pilot study

A pilot study was conducted to validate the questionnaire and to confirm the feasibility of the study. The pilot study was undertaken with a sample of 200 questionnaires distributed among the consumers of online shopping of Chennai city. The collected opinions were subjected to higher order statistical analysis with the help of some tools like percentage analysis, t-test, chi-square, factor analysis etc.

The data thus collected was used as supplementary data to cross check the data collected through the questionnaire method. The respondents were selected through random sampling method and 1200 were considered for the study.

1.9. Reliability and Validity test

Reliability

Reliability of an instrument refers to the degree of consistency between multiple measurements of variables. It is extent to which an experiment tests or any measuring procedures yield, the same result on repeated attempts. Reliability was estimated through internal consistency method which is applied to measure the consistency among the variables in a summated scale. In the present study, the
Cronbach’s Alpha co-efficient of reliability was found based on primary data of the present study and the details are as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Reliability Measures for the study</th>
<th>No. of items</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Online shopping behaviour</td>
<td>21</td>
<td>0.83</td>
</tr>
<tr>
<td>2</td>
<td>Perceived risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Convenience risk</td>
<td>6</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>Financial risk</td>
<td>3</td>
<td>0.86</td>
</tr>
<tr>
<td></td>
<td>Product risk</td>
<td>3</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>Non delivery risk</td>
<td>2</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>Overall (Perceived risk)</td>
<td>14</td>
<td>0.85</td>
</tr>
<tr>
<td>3</td>
<td>Return policy</td>
<td>3</td>
<td>0.84</td>
</tr>
<tr>
<td>4</td>
<td>Infrastructure</td>
<td>3</td>
<td>0.87</td>
</tr>
<tr>
<td>5</td>
<td>Online shopping intention</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitude</td>
<td>2</td>
<td>0.89</td>
</tr>
<tr>
<td></td>
<td>Subjective norms</td>
<td>4</td>
<td>0.86</td>
</tr>
<tr>
<td></td>
<td>Perceived behavioural control</td>
<td>4</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>Domain specific innovativeness</td>
<td>4</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>Overall (Online shopping intention)</td>
<td>14</td>
<td>0.85</td>
</tr>
<tr>
<td>6</td>
<td>Opinion about online merchants</td>
<td>8</td>
<td>0.81</td>
</tr>
<tr>
<td>7</td>
<td>Opinion about online shopping</td>
<td>16</td>
<td>0.83</td>
</tr>
<tr>
<td>8</td>
<td>Satisfaction towards online shopping</td>
<td>10</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>Overall reliability of the study</td>
<td>89</td>
<td>0.84</td>
</tr>
</tbody>
</table>

Source: Primary data

Validity

Both Face and Content validities were established in the study. The face validity was done by the investigator and the content validity was established by the experts in the field of investigation. Face validity, it appears to measure whatever the author had in mind, namely, what he thought he was measuring. The rationale
behind content validity is that to examine the extent to which a measuring instrument provides adequate coverage of the topic under study.

**Sample Size determination**

The sample size for the survey is determined by applying the following formula:

\[
\text{Sample size } n = \left( \frac{ZS}{E} \right)^2
\]

Where

\[
Z = 1.96 \text{ (Standardized value corresponding to 95\% confidence interval)}
\]

\[
S = \text{Sample standard deviation from pilot study} = 0.91
\]

\[
E = \text{Acceptable error} = 0.05 \text{ (5\%)}
\]

\[
\text{Sample size } (n) = \left( \frac{ZS}{E} \right)^2
\]

\[
= (1.96*0.91/0.05)^2
\]

\[
= 1272.49
\]

\[
\approx 1273
\]

Well structured questionnaires were circulated to 1273 respondents. 1223 respondents have returned the questionnaire after filling it; however 23 questionnaires were rejected due to inadequate data. Hence the sample size chosen for the study is 1200.
**Statistical tools used:**

- Percentage analysis
- One-sample t-test
- Friedman test for k-related samples
- Independent samples t-test
- One way ANOVA
- Factor analysis
- Chi-square analysis
- Bi-variate correlation
- Multiple regression analysis
- Structural equation modeling

**Statistical package used:**

The validity, reliability and analysis of the data in this study was analysed using Statistical package for social sciences (SPSS v 16.0). Analysis of Moment Structure (SPSS AMOS v.16) was used to perform structural equation modeling.

1.10. Limitations of the study

1. The study covers the respondents selected through the random sampling method.

2. The study results hold good only to the respondents of Chennai city.
1.11. Chapter arrangements

Chapter 1: This chapter provides a focus on the ‘Online Shopping’ in India.

Chapter 2: It examines the ‘Advantages of Internet and Online shopping to the consumers’.

Chapter 3: This chapter analyses the ‘Demographic profile of the respondents’.

Chapter 4: It discusses ‘Facilitating and encouraging factors of Online shopping’.

Chapter 5: It examines ‘the Perception, awareness and satisfaction of the sample respondents’.

Chapter 6: It examines ‘the Perceived risk associated with the Online shopping and provides a model to safeguard the interests of consumers of Online shopping’.

Chapter 7: ‘Summary and Conclusions’ are given in this chapter.