

UNDERSTANDING THE ATTITUDE AND SATISFACTION OF UNIVERSITY STUDENTS TOWARDS ONLINE SHOPPING

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ABSTRACT

India's online market grew at a staggering 88% in 2013 to \$16 billion riding on booming online retail trends and defying slower economic growth and spiraling inflation according to a survey of Assocham. The increasing internet penetration and availability of more payment options boosted the e-commerce industry in 2013. According to the survey, age-wise analysis revealed that 35% of online shoppers are aged between 18 and 25 years. This study examined the attitude towards online purchasing behavior among university students in Chennai. A convenience sampling method was used and the sample comprises of 60 students. Data were collected via questionnaire.

The study concluded that gender, level of online shopping, attitude towards online purchasing behavior, perceived risk towards online purchasing behavior, and satisfaction level of students towards online shopping. Further studies should explore other factors that influence attitude towards online purchasing behavior with a broader range of population and higher representativeness sampling method.

KEYWORDS: Gender, Online Consumer Behavior, Online Satisfaction, Perceived Risk

INTRODUCTION

With the phenomenal spread of mobile telephony and the advent of 3G in the country, buyers from small towns and cities are also buying online in large numbers. As the economical boom has enhanced purchasing power of the people and competition has pushed prices of manufactured products down. Presently, a huge number of shoppers are buying many aspiration products like cameras, mobiles...Etc online. Till about five years ago, books and music were the largest selling categories online but not anymore.

This paper focus on the classical components of buying behavior of students in an online setting, and take into account the wider influences that these student generations of internet technology brings with them and investigate the factors that are closely linked to online consumer purchase intention and satisfaction. While most current studies have been conducted in India, this study will focus on Chennai respondents, who will provide greater insight on online consumer behavior theory in a setting where majority of students have technological experience.

According to report by Retailers Association of India (RAI) study done to understand the buying behavior of Indian consumers, states that the Indian consumer today is more educated. The fact that a large chunk of these customers are youth is changing the way people are shopping and this has a direct implication on various aspects of shopping such as the choice of brands.

According to the report, rapid urbanization and lifestyle changes have increased time-starved consumers exponentially and the segment that values convenience has grown. The report reveals that the youth constitutes a considerable proportion of the online users, and growth in online retail has been driven by increased value consciousness, small city aspirations and growing importance of convenience.

LITERATURE REVIEW

Electronic commerce has become one of the essential characteristics in the internet era. According to **UCLA Center for Communication Policy (2001)**, online shopping has become the third most popular internet activity, immediately following e-mail using or instant messaging and web browsing. It is even more popular than seeking out entertainment information and news, two commonly thought of activities when considering what internet users do when online. Of internet users, 48.9% made online purchasing in 2001, with three-quarters of purchasers indicating that they make 1-10 purchases per year. When segment into very versus less experienced internet users, the very experienced users average 20 online purchases per year, as compared to four annual purchases for new users (UCLA Center for Communication Policy, 2001).

There is now ample evidence that the internet has changed the way in which consumers purchase goods and services (**Forsythe and Shi, 2003**).

Consumers are not interested in the technology per se but how the internet can improve their shopping experiences and helps them make better decision (**Burke, 2002**).

Swaminathan, White and Rao (1999) found that consumers who are primarily motivated by convenience are more likely to make purchase online.

Bellman, Lohse and Johnson (1999) examine the relationship among demographics, personal characteristics and attitude towards online shopping. These authors found that people who have a more “wire lifestyle” and who are more time-constrained tend to buy online more frequently, i.e., those who use the internet as a routine tool and/or those who are more time starved prefer shopping on the internet.

Bhatnager et al., (2000) have explored how demographics, vendor/service/product characteristic and website quality influence the consumers’ attitude towards online shopping consequently their online buying behavior. The same study indicated that the convenience the internet affords and the risk perceived by the consumers are related to the consumers’ attitudes and behavior positively and negatively.

Consistent with the literature and models of attitude change and behavior (**Fishbein and Ajzen, 1975**), it is believed that consumer’s attitudes will affect intention to shop online and eventually whether a transaction is made. First, it refers to the consumers’ acceptance of the internet as a shopping channel (**Jahng, Jain and Ramamurthy, 2001**). Secondly, it refers to consumer’s attitudes toward a specific internet store (i.e., to what extent consumers think that shopping at this store is appealing). These first two dimensions are negatively associated with the third, customers’ perceived risk.

According to **Lee, Park and Ahn (2001)**, two main categories of perceived risk emerge in the process of online shopping. The first is the perceived risk associated with product/service and includes functional loss, financial loss, time loss, opportunity loss, and product risk. The second is the perceived risk associated with context of online transactions, and

includes risk of privacy, security, and no repudiation. Among them, the influence of financial risk, product risk, and concern for privacy and security are significant (**Senecal 2000; Borchers 2001; Bhatnagar et al. 2000**). However, the fourth dimension of attitude, consumers trust in the stores, can reduce perceived risk. Using a qualitative analysis, **Wolfenbarger and Gilly (2001)** suggest that two motives, i.e., shopping for fun (hedonic) and shopping with a goal in mind (utilitarian) are typical of online shoppers. Hedonic shoppers are motivated by their involvement

With a class of products that directs their browsing the internet through auction sites and visit to hobby-related sites. In other words, the hedonic shopper typically seeks a product specific online shopping experience. **Alreck and Settle (2002)** found that internet shopping was viewed as saving more time than traditional modes of shopping. **Bhatnagar et al., (2000-2001)** found that for those who use online information sources of buying financial products, time availability was not associated with the propensity to conduct and online search for or purchase of these products. That is, those who were pressured for time did not use online purchasing more than those who were not pressured for time.

Jarvenpaa, Tractinsky and Vitale (2000) investigate how consumers' perceived store size and reputation influence their trust in the store, risk perception, attitudes and willingness to buy at the specific store. The study found that there is a positive correlation between consumer trust in internet stores and the store's size and reputation. Consumer with higher trust may reduces perceived risk associated with internet shopping and thus, this will eventually generates more favorable attitude towards shopping at the particular store and this lead to willingness to buy from the store.

Previous e-commerce purchasing research examined numerous demographics characteristics. For example, **Bhatnager et al., (2000)** examined ages, gender, marital status and years on the internet in a previous study on risk, convenience and the internet shopping behavior. They found that marital status has no effect on purchase behavior and found mixed results based upon gender (except for specific gender-related products), years on the internet and age. Other studies report those e-commerce purchasers are younger, more educated and have higher income than do non e-commerce purchases (**Ratchford, Talukdar and Lee, 2001**).

Korgaonkar and Wolin (1999) found that motivational factors as well as age and gender impacted the likelihood of online purchasing. In their study, older males were the group that had the highest online purchase behavior. This is consistent with the results of **Donthu and Garcia's (1999)** research, who found that older internet users were more likely to buy online when compared to younger users, even though the younger users had more positive attitudes towards internet shopping.

Dholakia and Uusitalo (2002) found that younger consumers reported more hedonic and utilitarian benefits of online shopping than older consumers. In contrast, **Joines, Scherer and Scheufele (2003)** found that younger respondents were more likely to shop online.

OBJECTIVES

- To study the factors influencing the online shopping behavior of students.
- To understand the student's expectation and perception towards online shopping.
- To examine the level of Satisfaction towards online stores.
- To determine average spending and frequency of purchase over the internet.

RESEARCH METHODOLOGY

Research Design

Descriptive research design has been used for the study.

Sampling Techniques

Convenience sampling has been derived from probability sampling method to select university students in south Chennai, Tamil nadu, India.

Sample Size and Data Collection

From the total student's population of south Chennai, 60 students are chosen as sample size for the study and the data is collected through a structured questionnaire.

Tools and Techniques

- Percentage analysis (Demographic variables)
- Chi square test
- Factor analysis
- Friedman Test
- KMO and Bartlett's Test
- Pearson correlation matrix

Sample Composition

This study involved a survey of 60 postgraduate university students. The sample consisted of 60% females and 40% males with a mean age of 21 years. The survey included open-ended questions. It is clear that average time spent by students is high for 1-2 hrs/day followed by 2-3 hrs/day. It can be seen that 52.5% of the respondents have spent amount 1000 as the highest amount in one transaction followed by 18% spending Rs. 2000.

DATA ANALYSIS AND INTREPRETATION

Table 1

| | | Frequency | % |
|---|--------------------|-----------|------|
| Gender | Female | 35 | 60 |
| | Male | 25 | 40 |
| Hours of use | LESSTHAN 1 HOUR | 8 | 13.1 |
| | 1-2 hours | 26 | 42.6 |
| | 2-3 hours | 13 | 21.3 |
| | 3-4 hours | 4 | 6.6 |
| | Above 5 hours | 9 | 14.8 |
| How long have been using online shopping? | Less than 6 months | 3 | 4.9 |
| | 6 months – 1 year | 11 | 18 |
| | 1-2 year | 6 | 9.8 |
| | 2-3 years | 14 | 23 |
| | More than 4 years | 26 | 42.6 |

Table 1: Contd.,

| | | | |
|---|---------------|----|------|
| Level of online shopping experience | None | 0 | 0 |
| | Beginner | 38 | 62.3 |
| | Intermediate | 17 | 27.9 |
| | Expert | 5 | 8.2 |
| Average amount spent on online shopping | Less than 500 | 8 | 13.1 |
| | 500 - 1000 | 32 | 52.5 |
| | 1000- 2000 | 11 | 18 |
| | 2000 - 5000 | 6 | 9.8 |
| | Above 5000 | 3 | 6.5 |

CHI SQUIRE

Table 2

| S. No | Null Hypotheses | CHI Square | DOF | Significant P-Value | Acceptance of H ₀ |
|-------|--|------------|-----|---------------------|------------------------------|
| 1 | There is no association between gender and how long they have been shopping online. | 39.896 | 12 | 0.000 | REJECTED P <0.05 |
| 2 | There is no association between gender and online store product expectations | 30.826 | 12 | 0.002 | REJECTED P <0.05 |
| 3 | There is no association between product description and hard to judge the quality of product over internet. | 17.722 | 9 | 0.039 | REJECTED P <0.05 |
| 4 | There is no association between the level of online shopping experience and those who prefer online shopping for lower prices. | 27.493 | 8 | 0.001 | REJECTED P <0.05 |

FACTORS INFLUENCING ONLINE BUYING BEHAVIOR OF STUDENTS

KMO and Bartlett's Test

Table 3

| | | |
|--|---------------------------|----------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | .548 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 138.877 |
| | df | 55 |
| | Sig. | .000 |

KMO and Bartlett's Test

The KMO index ranges from 0 to 1.0, reaching 1.0 when each variable is perfectly predicted without error by other variables (Hair et al., 2010). With a KMO value of 0.548, the data falls into the excellent value for factor analysis range.

The Bartlett's test is also significant at the highest level, indicating suitability of factor analysis.

Table 4: Total Variance Explained

| Component | Initial Eigen Values | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|---|----------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1. Monetary loss from online shopping is high | 2.893 | 26.3 | 26.3 | 2.893 | 26.3 | 26.3 | 1.857 | 16.885 | 16.885 |
| 2. More difficult to shop online. | 1.65 | 14.996 | 41.297 | 1.65 | 14.996 | 41.297 | 1.799 | 16.354 | 33.239 |
| 3. Feel uneasy | 1.339 | 12.173 | 53.47 | 1.339 | 12.173 | 53.47 | 1.719 | 15.625 | 48.863 |
| 4. It's not safe to buy online | 1.118 | 10.162 | 63.631 | 1.118 | 10.162 | 63.631 | 1.625 | 14.768 | 63.631 |

INTREPRETATION

The results of KMO tests revealed that the data set was appropriate for factor analysis. Thus; principal component factor analysis was conducted on all risks perceived by the students. 11 variables submitted for factor analysis should be extracted to form 4 dimensions. These 4 dimensions explained 63.6% of the variation in the data.

FRIEDMAN TEST

Ranks

Table 5

| | Mean Rank | Chi Square Value | P Value |
|-----------------------|-----------|------------------|---------|
| SAVESTIME | 4.34 | | |
| ANYTIME | 4.50 | | |
| PREFERTRADITIONAL | 5.88 | | |
| BELIEVE | 7.54 | | |
| LOWERPRICES | 6.62 | 97.319 | 0.000 |
| BROADSELECTION | 6.30 | | |
| PRODUCTDESCRIPTION | 7.26 | | |
| SUFFICIENTINFORMATION | 7.58 | | |
| SECURE | 8.55 | | |
| REDUCECOST | 6.87 | | |
| EASY | 5.48 | | |
| BETTERPRICES | 7.08 | | |

INTREPRETATION

Since P value is less than 0.01 the null hypotheses is rejected at 1% level of significance. There is significant difference between mean ranks between factors on attitude towards online shopping.

Based on the mean rank of attitude towards online shopping behavior of students, online shopping is as secure as traditional shopping (8.55) is the most important factor on attitudes followed by sufficient information about products (7.58).

CORRELATION

Table 6

| | | Hours Use | Long Shopping | Secure |
|---------------|---------------------|-----------|---------------|---------|
| HOURS USE | Pearson Correlation | 1 | .409(**) | .040 |
| | Sig. (2-tailed) | | .001 | .760 |
| | N | 60 | 60 | 60 |
| LONG SHOPPING | Pearson Correlation | .409(**) | 1 | .292(*) |
| | Sig. (2-tailed) | .001 | | .024 |
| | N | 60 | 60 | 60 |
| SECURE | Pearson Correlation | .040 | .292(*) | 1 |
| | Sig. (2-tailed) | .760 | .024 | |
| | N | 60 | 60 | 60 |

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

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

INTREPRETATION

The Pearson correlation matrix is used to describe the strength and direction of the linear relationship between variables. In our study, the significant value is less than 0.01, indicates that there is no correlation between the students time spent on internet, how long they have been shopping online and feels about online shopping is a secured one. The results showed that there is no correlation exceeded 0.80.

FINDINGS

- The purpose of the study was to assess the student's online buying behavior. The sample consisted of a total 60 respondents.
- Respondents were asked about their demographic profile, which included gender, Hours per day use internet, how long have been on internet, level of online shopping experience, how long have been shopping online and average amount spent on online.
- It is apparent that out of the 60 respondents; the percentage of male respondent is 40 % whereas the percentage of female respondents is 60%.
- It is clear that average time spent by students is high for 1-2 hrs/day followed by 2-3 hrs/day.
- It can be seen that 52.5% of the respondents have spent amount 1000 as the highest amount in one transaction followed by 18% spending Rs. 2000.
- According to factor analysis, students felt that there is high monetary loss in online shopping.
- Among several attitudes towards online buying behavior, students impressed that online shopping is a secured one.
- This study reveals that there is no association between gender and online store expectations.
- According to this study movies, music and electronic goods are frequently purchased by students.

SUGGESTIONS

Online shopping will be the next big thing for the society especially among the youth where most of them are technology literate. Furthermore, most of the things are now being done through online nowadays. Hence, there are a few aspects that the retailer should focus on in the effort to improve the online shopping services and experience. Not only from the student's point of view, but also, from the marketer's as well. Therefore, it's essential to voice out some recommendation to improve the world of online shopping especially for those it may concern. Recommendations include the following such as, exploring more on the various online shopping websites available, consider online shopping as an alternative to conventional shopping, as it is a convenience for students. Find a solution to increase the level of security of online shoppers in order for the students to have faith and trust while shopping online, and finally these product category websites should provide more information regarding the products that they offer as well as create a more user friendly page layout and design interface for online shoppers.

LIMITATIONS OF THE STUDY

It is necessary to recognize the limitations of the current study. Firstly, since the survey was conducted among a group of postgraduate students from private University, the results should be interpreted with caution. Next, the sample size 60 itself is relatively small. To accurately evaluate Chennai students' perceptions of online shopping, a larger sample size is desirable. Future research needs to focus on a larger cross section of Internet users and more diversified random samples to verify the findings of the current study. Moreover, to further studies clarity of the factors influence on attitude toward online shopping, other behavioral model could be used.

CONCLUSIONS

This study reviewed existing literature in the field of students online purchase attitude; satisfaction and risk associated in online shopping. Hypotheses were formulated using the existing literature as a backdrop. The hypotheses were tested on data collected from 60 university students from Chennai. We identified three independent variables had a significant impact on attitude of students buying behavior. These were online shopping is a secured one, online portals provide sufficient information about products, and they believe in online shopping will eventually supersede traditional shopping. We have also identified three independent variables with a significant impact on online perceived risks. These were monetary loss due to online shopping, more difficult to shop on the internet and the students feel uneasy while shopping online. There is plenty of information to gain on the students' behavior, satisfaction, purchasing pattern towards online retailing on the internet through this research.

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