A Study on Consumer Attitude towards E-Commerce

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ABSTRACT

In the emerging global economy, e-commerce and e-business have increasingly become a necessary component of business strategy and a strong catalyst for economic development. The integration of information and communications technology (ICT) in business has revolutionized relationships within organizations and those between and among organizations and individuals. Specifically, the use of ICT in business has enhanced productivity, encouraged greater customer participation, and enabled mass customization, besides reducing costs. Regardless of the widespread use of Internet in India according to e-commerce users, it is still notably low. The present study attempts to determine the success factors in improving users’ attitude towards e-commerce in Sagar (M.P.). The research model comprises of four independent variables namely demographic profiles, perceived benefits, perceived ease of use, and trust, and on dependent variable namely consumers’ attitude towards e-commerce. The findings of the study show a significant and positive link between all four variables, and attitude toward e-commerce.

Keywords: E-commerce, E-business, information technology, internet.

INTRODUCTION

Electronic commerce is presently an essential ingredient of India’s trade facilitation policy. Since 1991, after economic reforms explicitly took place in India as a result of opening of the economy with a view to integrate itself with the worldwide economy, the need to facilitate international trade both through policy and procedure reforms has become the foundation stone of India’s trade and fiscal policies. Resultantly, last few years have witnessed a technological revolution accompanied by the widespread use of the Internet, web technologies and their applications. Electronic Business (e-commerce) as part of the information technology revolution became widely used in the world trade in general and Indian economy in particular. As a symbol of globalization, e-business represents the cutting edge of success in this digital age and it has changed and is still changing the way business is conducted around the world. The commercialization of the Internet has driven electronic commerce to become one of the most capable channels for inter-organizational business processes.

E-commerce is usually associated with buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network. E-Commerce (electronic commerce or EC) is the buying and selling of goods and services on the internet, especially the World Wild Web (Tech target, 2007-2012). Online shopping is a form of E-commerce whereby consumers directly buy goods or services from a seller over the internet. Online shopping is done through an online shop, e-shop, e-store, Internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files. Many online stores will provide links for extra information about their products. They often make available, safety procedures, instructions, manufacture specification and demonstrations (Tech target, 2007-2012). Benefits of E-commerce have been grown very fast because of many advantages associated with buying on internet as the lower transaction and search cost as compared to other types
of shopping. Online shopping allows consumers to buy faster, more alternatives and can order products and services with comparative lowest price (Cuneyt & Gautam, 2004). Consumer’s attitude towards online shopping refers to their psychological state on terms of making purchases. The process of buying behavior process consists of five steps. For instance, customers first identify a need or want and then define the requirements necessary to satisfy that need. Secondly, gather information and evaluate the options that are available. Once they know their options, they will look to make a purchase which will include shopping for or negotiating the best price they can achieve. Lastly, consumers will go through several factors which limits or influence final decision and they will evaluate whether or not they made a good decision. The main purpose of this study is to understand the factors that may influence consumer’s attitude and behaviors towards online shopping.

LITERATURE REVIEW

E-commerce is a tool for reducing administrative costs and cycle time, streaming business processes, and improving relationships with both business partners and customers (Charles, 1998). The Internet and electronic commerce were the two most significant development of information during 1990s. There has been a marked increase in the number of consumers who purchase over the Internet, as well as an increase in sales worldwide conducted via electronic commerce. Innovation and electronic commerce relationships have resulted in tremendous changes in market competition among various industries (Blosch, 2000; Hamid & Kassim, 2004). Customer purchasing decisions are influenced by perception, motivation, learning, attitudes and beliefs. The perception is reflected to on how the customers select, organize, and interpret information to form knowledge. The motivation is reflected to the customer’s desire to meet their own needs. Learning is reflected to the customers’ behavior experience arising. Attitudes are reflected to customers’ steadily favorable or unfavorable assessments, feelings, and inclinations towards object or idea. Finally, Beliefs is reflected to customers’ thoughts about a product or service (Kotler & Armstrong, 1997). Security was a critical successful factor for e-commerce. Retail e-commerce would fail if Internet users feel on lacking a great degree of confidence (Kesh et al., 2002). The primary reason indicated of the most buyers who didn’t shop online cause of afraid to reveal personal credit card information to retailers or over the internet (Rao, 2000). According to Chen (2009) in Mojtaba Nourbakhsh et al (2012), research on consumers’ attitudes and behavior towards online shopping has been the main focus in e-commerce recently. This may be due to an individual’s attitude towards consuming a product is one of the most important antecedents for predicting and explaining consumers’ choices across products and services, including food products (Honkanen et al, 2006 in Voon et al 2011). Mahmood et al. (2004) also suggested that lifestyle characteristics play an important role in customer buying behavior. Furthermore, Chu and Lee (2007) viewed consumers’ lifestyles and characters as important factors that determine the success or failure of an online store. They suggested that in order to run a shopping web site effectively, online retailers should be acquainted with consumers’ lifestyles and characters, and design the online shops that suits the consumers’ diversified lifestyles.

FRAMEWORK OF STUDY

Attitude: Online shopping attitudes are described as the psychological state of the consumers in light of purchasing online (Li & Zang, 2002). The consumers’ attitude towards online shopping is considered as the primary factor affecting e-shopping potential (Michael, 1998). The present study’s model exhibits the relationship between independent variables comprising demographic profiles, trust, perceived benefits and perceived ease of use, and dependent variable comprising attitude toward E-commerce as depicted in Figure below:
Demographic factors are common variables studied in online shopping related researches. As mentioned by Defeng, Bingchuan, and Li (2006) in Delafrooz (2009), attitude towards online shopping is influenced by demographic factors, such as gender, age and income. A study by Hashim et al (2009) among UiTM part-time students also concluded their chosen five demographic variables (gender, age, job designation, marital status and salary) are important determinants of online shopping behavior. Haque et al (2006) concluded that only two factors, gender and family income have significant relationship with overall attitudes towards online shopping. With regards to income, consumers with higher household incomes intend to shop more online compared to lower income consumers. In regard to age, it is common view that the younger users spend more time on the Internet than older users and that younger users are also more knowledgeable about the Internet or technology savvy in general.

Trust

Among the most significant barriers to people’s engagement in e-commerce is lack of trust as such transactions require the submission of financial and personal information to be submitted to the sellers over the Internet. Because of lack of trust the e-commerce future is tenuous. This puts the emphasis on building consumer trust on the Internet for online merchants—a topic of increasing interest and importance in the field of research (Wang & Emurian, 2004). Moreover, some prior studies (e.g. Younes & Talal, 2011; Nuseir, 2010; Park & Kim, 2003; Wang & Emurian, 2004) revealed a significant positive relationship while others found an insignificant one (Gurvinder & Zhaobin, 2005).

Perceived Ease of use

Perceived Ease of use is defined as the level to which an individual is convinced that using a certain system would be free from effort. This stems from the definition of ease which is the freedom from difficulty or significant effort. Effort is described as a finite resource that an individual can exert to the many activities for which he or she is responsible to conduct (Radner & Rothschild, 1975). Ease of use encapsulates the features of time saving, site design, site navigation, information architecture, site speed, and payment process, accessibility and search facilities (Constantinides, 2004; Wolfinbarger &
Gilly, 2001; Szymanski & Hise, 2000). In Delfrooz & Khatibi’s (2009) study, ease of use was revealed to significantly and positively relate with attitude toward online shopping.

**Perceived Benefits**

The perceived benefits of online shopping in relation to traditional store shopping are believed to be one of the main encouraging factors in the adoption of this emerging shopping channel by consumers. An individual’s choice of behavior is based on the probability that an action will result in a specific consequence. The process of consumers’ decision-making on online shopping relates to the consequences or experiences and satisfaction they perceive while shopping. Analysis by Limayem et al. (2003) found that perceived consequences significantly affect an individual’s attitude and intention to shop online.

**OBJECTIVES**

1. To study the attitude of consumer towards ecommerce.
2. To examine if consumers’ lifestyle effect consumer’s attitude towards e-commerce.
3. To investigate the factors that could influence the consumers’ attitude towards e-commerce.

**METHODOLOGY**

The research method used in this study is descriptive type using quantitative survey method. This study is based on both the primary data as well as the secondary data. The sample size is hundred. Convenient sampling method has been used to collect the data from the respondents. For analyzing the data Descriptive analysis and percentage method has been used. The secondary data used in the study have been collected from related journals, books, newspapers and internet, etc.

**FINDINGS AND DISCUSSIONS**

The current study is an attempt to empirically investigate the success factors that could influence consumers’ attitude toward e-commerce. The composition of respondents are quite balance with respect to gender. Out of total of 100 respondents, male respondents comprise 65% and female respondents comprise 35%.

The finding showed perceived usefulness to have a significant positive influence on consumers’ attitude. Similarly, perceived ease of use was found to significantly influence consumers’ attitude toward e-commerce indicating that the companies should make e-commerce easy to use. Moreover, demographic profiles including age, gender, income, occupation is another success factor, was found to significantly influence consumers’ attitude towards e-commerce and these calls for additional attempts to bring the benefits of e-commerce to consumers’ awareness. Furthermore, trust also positively and significantly influences the attitude of consumers but the findings indicate that trust is a less important success factor when compared to other factors. This shows that consumers trust e-commerce although more efforts need to be expended to develop trust through security development of online businesses which may decrease the risk and danger attached to e-commerce.

**CONCLUSION**

The present study aims to determine the factors that influence consumers’ attitude toward e-commerce in Sagar(M.P.). The four variables (Perceived Benefits, Perceived Ease of Use, Demographic Profiles and Trust) were revealed to significantly impact consumer’s attitude, which could be the main success factors for e-commerce adoption. Future studies can investigate other factors like trialibility, compatibility and awareness etc which can be applied to a large sample in various areas of M.P.
REFERENCES


