

RESEARCH PAPER

Determinants and challenges in online shopping in Kerala

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ABSTRACT

Considering the promising future of on line marketing the study aimed to analyse the determinants and constraints of on line marketing. 120 students (who were engaging in online shopping) selected from two colleges (representing one professional and one traditional college) from Thrissur district consisting of 60 male and 60 female respondents were equally selected and primary survey was conducted through a structured interview schedule. The study highlighted that major factor of online shopping is convenience. Online marketers may pay more attention to free delivery, or free gift and do the best to build, enhance and maintain their good reputation. Delivery in time is an vital factor and important constraint, the proper delivery in time and nearest place it will create trust and image of the websites, therefore, advisable to concentrate on proper delivery services.

KEY WORDS : On line marketing, Determinants, Constraints online shopping behaviour

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The invention of internet has changed the way businesses runs all over the world (Adnan, 2014). Use of the internet and e-commerce has been growing rapidly since the last decade (Yörük *et al.*, 2011). Over the internet with a few clicks of mouse,

people can connect with friends and families from distance (Khalil, 2014). The people use the internet for many reasons such as searching product information, evaluate price and quality, choose services, and transfer payments (Moshref Javadi *et al.*, 2012). Internet shopping (also known as online shopping) is the process where Consumers purchase products/services over the Internet. It is a network of linked computers enabling millions of people to communicate and search for the information as well as to sell and buy products. Online shopping is a recent phenomenon. Sometimes known as e-tail from “electronic retail” or e-shopping Online purchasing of goods, both expensive and cheap, is prevalent to a much larger extend in recent years due to convenience, speedy transactions, saving time, attractive sales promotional offers etc. for the consumers. Despite

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these motivational factors, there are various transactional and non- transactional issues involved such as internet users being uncomfortable while giving their credit card number, personal information, etc. which act as deterrents. Online shopping is new and it is at a developing stage and there are no hard-and-fast rules to live by. Consumers are slow in showing interest in online shopping. However, the future for internet shopping looks bright and promising. Therefore, this study aims to identify the determinants of online shopping and its constraints.

METHODOLOGY

For the purpose of research 120 students (who were engaging in online shopping) selected from two colleges (representing one professional and one traditional college) of Thrissur district consisting of 60 male and 60 female respondents were equally selected through random sampling technique. Primary data were collected from the sample respondent by using pre tested structured interview schedule. Index methodology and factor analysis were used for analyzing the data.

ANALYSIS AND DISCUSSION

The findings of the present study as well as relevant discussion have been summarized under the following heads :

Determinants of online shopping:

Determinant refers that a factor which decisively

affects the nature or outcome of something. To identify the determinants of online shopping behaviour the data were collected in a three point scale for the selected statements and by using index tool interpretations were made. Moreover, factor analysis was also done to identify the major factors determining on line shopping. The details are given Table 1.

The Table 1 shows that easy selection of products, time saving, convenient to order, large variety of products/ brands, discount / offers, door delivery are the major determinants of online shopping and after sales service, economical and getting review / ratings of the product. of the product are the least determinants for male and females.

Factor loadings:

From the factor matrix the new factors were derived. From the Table 3 given it could be understood that the different factors that had been given were named according to nature of the statement. Factor loadings were also given.

The statements given in Table 3 were derived with highest factor loadings by means of factor analysis. The 5 factors were concluded to be acting as the major determinants of behaviour towards online shopping. The factors include sales promotion offers, convenience to shopping, influence of peer groups, attractive payment options and times saving are the major determinants of online shopping.

Table 1 : Determinants of online shopping						
Statements	Male		Female		Total	
	Score	Rank	Score	Rank	Score	Rank
Easy selection of products	847	1	807	2	1654	1
Time saving	774	2	827	1	1601	2
Influence of family, friends and relatives	364	12	389	11	753	12
Desired product availability	511	7	531	7	1042	7
Convenient to order	633	3	603	4	1236	3
Ready availability of information about product	425	11	414	8	839	10
Large variety of products/brands	583	4	607	3	1190	4
Availability of required quantity	524	6	408	10	932	8
Door delivery	510	8	557	6	1067	6
Attractive payment options	426	10	384	12	810	11
Economical	223	14	216	14	439	14
Discount / offers	572	5	566	5	1138	5
Getting reviews /ratings of the products	277	13	303	13	580	13
Return/ refund policy	458	9	410	9	868	9
After sales service	173	15	178	15	351	15

Constraints in online shopping:

Ease of use is the prime reason that drives the success of e-commerce. Through internet provides a quick and easy way to purchase a product, some people prefer to use this technology in a limited way. They regard internet as means for gathering more information about a product before buying it in a shop. Sometimes a deal that looks great falls short of what has been advertised and communicating dissatisfaction can be difficult in online and often take enormous patience and tenacity to achieve satisfaction. Here the parameters are constraints in products, constraints in delivery and

services, constraints in payment, constraints in websites, constraints in communication. To examine the constraint level has divided into three point scale, they are: mostly felt, moderately felt and least felt. The details are given Table 4.

The table analysis shows that the selected online shoppers as a whole considered “colour variation when delivered”, “incurring of additional cost”, “timely service”, “after sales service”, “lack of face to face communication”, “lack of customer relation” and “hidden cost” as the mostly felt constraints. While comparing male and female, female respondents have mostly felt towards

Sr. No.	Determinants of online shopping	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Communalities (h ²)
1.	Return / refund policy	.878					.788
2.	Discount / offers	.785					.659
3.	Desired product availability	.604		-.539			.706
4.	Door delivery	.550	.498	-.444			.760
5.	Convenient to order		.827		.302		.799
6.	Large variety of product / brand		.720				.626
7.	Availability of required quantity	-.384	-.510				.550
8.	After sales service			.713	.313		.625
9.	Influence of peer groups			.740			.678
10.	Time saving	-.382	.465	-.479		.655	.701
11.	Attractive payment options				.730		.564
12.	Ready availability of information about the product	-.528			.618		.691
13.	Getting review / ratings of the product				-.578		.539
14.	Easy selection of the products		.719		.542		.616
15.	Economical					.309	.629

Factor -1 (F₁): The first factor is consisted of variables like ‘return / refund policy (.878), discount offers (.785) and desired product availability (.604) The former had highest significant positive loadings. Hence, factor 1 was characterized as “Sales promotion offers
 Factor -2 (F₂): The second factor consisted of variables like ‘convenient to order (.827), ‘large variety of products / brand (.720) and ‘easy selection of products’ (.719) had significant positive loadings. Hence, factor 2 was characterized as “convenience to shopping”
 Factor -3 (F₃): The third factor consisted of variables like ‘influence of peer groups’ (.740) and ‘after sales service’ (.713) had significant positive loadings Hence, factor 3 was characterized as “influence of peer groups”
 Factor-4 (F₄): The fourth factor consisted of variables like ‘attractive payment options’ (.730) and ‘ready availability of information about the product’ (.618) had significant positive loadings. Hence factor 4 was characterized as “attractive payment option”
 Factor -5 (F₅): The fifth factor consisted of variables like ‘time saving’ (.655) had significant positive loadings. Hence, factor 5 was characterized as “time saving”.

Sr. No.	Variable	Statements	Factor loading
1.	Sales promotion offers	Return / refund policy	.878
2.	Convenience to shopping	Convenient to order	.827
3.	Influence of peer groups	Influence of peer groups	.740
4.	Attractive payment option	Attractive payment options	.730
5.	Time saving	Time saving	.655

these variables like “colour variation when delivered”, “incurring of additional cost” and “after sales service” for which the male respondents felt these as moderate constraints. The respondents have moderately felt towards, “getting of low quality products”, “mismatching products”, “delay in delivery”, “delivery in particular centers”, one time password”, website error”, “refund policy”, “lack of advertisements”, inadequate information deals and offers”, problem of tracking process”, and least felt towards “gateway of error” and “unclear description”.

Conclusion:

The findings of this study will help the online marketers to realise determinants of on line shoppers behaviour and constraints faced by them while shopping on line. By understanding this, online marketers would be able to formulate and implement their online - marketing strategy efficiently and effectively and possess stronger competitive advantage. The major factor of online shopping is convenience. Online marketers may pay more attention to free delivery, or free gift, and do

Table 4: Index range defining constraints in online shopping

	Male	Female	Total
Mostly felt	More than 64	More than 62	More than 62
Moderately felt	Between 53 and 64	Between 50 and 61	Between 53 and 61
Least felt	Less than 52	Less than 50	Less than 52
Standard deviation	6	6	6
Mean	58	56	57

Table 5 : Constraints in online shopping (n= 120)

Statements	Male (60)		Female (60)		Total	
	Score	Index	Score	Index	Score	Index
Constraints in products						
Colour variation when delivered	114	63	114	63	228	63
Getting low quality products	99	55	99	55	198	55
Incurring of additional cost	111	62	112	62	223	62
Getting mismatching products	98	54	103	57	201	55
Constraints in delivery and services						
Delay in delivery	99	55	90	50	189	52
Delivery in particular centers only	100	55	92	51	192	53
Timely service	112	62	116	64	228	63
After sales service	107	59	116	64	223	62
Constraints in payment						
One time password	99	55	97	54	196	54
Gateway error	94	52	90	50	184	51
Hidden cost	107	59	95	53	202	56
Constraints in websites						
Website error	103	57	100	55	203	56
Refund policy	100	55	95	53	195	54
Unclear description	85	47	92	51	177	49
Constraints in communication						
Lack face to face communication	124	69	127	70	251	70
Lack of advertisements	109	60	94	52	203	56
Lack of customer relation	134	74	115	64	249	69
Inadequate information deals and offers	100	55	96	53	196	54
Problem of tracking process	96	53	94	52	190	53
Composite score /index	1991	58	1937	57	3928	57

the best to build, enhance and maintain their good reputation. Delivery in time is an vital factor and important constraint, the proper delivery in time and nearest place it will create trust and image of the websites, therefore advisable to concentrate on proper delivery services.

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