

# Young Consumers' Online Shopping Decision Influencers: A Study on University students of Odisha

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## Abstract

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*The online consumer's decision largely influenced by the convenience, information on website, product availability, time and cost efficiency as suggested by Chayapa, Wang (2011). In a general practice, the consumers purchase multitudes of products to fulfill their diurnal needs and luxurious aspirations. Shopping decisions are influenced by many factors irrespective of channel of shopping used by the consumer. In recent years there have been great interests in research about online shopping as the growth of e-commerce has changed the landscape of shopping from off line to online. In the process of buying, an important medium, i.e. 'channel of shopping' also plays a major role. Here, channel of shopping implies the online shopping; this paper aims to find out the intervening factors that influence the online shopping decisions of young consumers in Indian context. The factors emerge in the current study which influence the decision of on-line shopping are Convenience, Security and Privacy on Website, Time and Cost Efficiency, Online Product Information availability, Website Interface and are in align with the factors suggested in the study of Chayapa, Wang (2011). In this context, the current study may enable the marketers to devise better strategies and designs of new age online marketing platform.*

**Keywords:** *Online Shopping, Convenience, Consumer Buying Decision, Website Interface and Content.*

## INTRODUCTION

The growth of e-commerce has put the customer in the cross road of decision-making on which channel they would adapt for their shopping. However, the consumers are now switching over to the on-line channel for shopping of their goods to fulfill their needs. Punj (2012) opined that the internet has certainly made it easier for consumers to search for the best price when that is most important due to the profusion of merchants on the web. When the match between the consumer need and the product attribute is important, the search over internet for the best price and product has been made easier for the consumer. Internet has helped the consumer in the decision making process while buying the products online by providing information for searching product and comparing the features and price of the product. However, the off-line purchases are also now a days also are influenced by online information of the product. The customer has a choice to go for online

purchase or off-line purchase depending upon how much the on-line information and product variety availability on-line influences the consumer. The consumer always wants convenience in the sense of product information search, comparison, placing the order and materilisation of the purchase deal so also the marketer also wants it. The solution is online shopping environment creation by the marketer to meet the new age young consumer's need. So it is pertinent to study the online shopping decisions of the consumer and what factors influence the consumer decision for online shopping. As the internet has penetrated to the remote area of the country, the young consumers who are the main users of internet, definitely the study of factors influencing their online shopping decision will be beneficial. As expected, there is an involvement of consumer in gathering the information, evaluation thereof, selecting the correct product and making the purchase through internet and the online shopping decision may be influenced by different factors.

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## LITERATURE REVIEW

To conceptualize and operationalize the factors influencing online shopping decisions, various extensive studies have been carried out by researchers across the world. Chayapa, Wang (2011) opined on the basis of various studies that online shopping decisions could be influenced by “factors categorized as convenience, information, available products and services, and cost and time efficiency.” Wang et al. (2005) highlighted in their research that “convenient of the internet is one of the impacts on consumers' willingness to buy online”. Goldsmith and Flynn, (2005); Parks, (2008) had also found in their studies that consumers want to escape face-to-face interaction with sales people and also do not want to be manipulated and controlled in the market place and that's why use online shopping channel. The availability of information accessible to consumer is made easy through internet as highlighted by Wang et al., (2005). The outcome of the study of Lim and Dubinsky, (2004) and Prasad and Aryasri, (2009) was the emergence of “E-commerce has made a transaction easier than it was and online stores offer consumers benefits by providing more variety of products and services that they can choose from.” A better deal for a product in terms of price can be achieved by online shopping as compared to offline shopping was highlighted in the study of Rox, (2007). Online shopping also provides fun and entertainment in shopping as opined in the study of Prasad and Aryasri, (2009). Consumers who use online channel of shopping also concerns about the security of their information used online, Lim and Dubinsky, (2004) and online trust is the most critical issue in front of consumer as well as online retailer, Prasad and Aryasri, (2009). The design and interface of the website also plays an important role in online shopping decision as highlighted by Sam and Chatwin (2015). It is interesting to note that not many studies have been carried out on online shopping decision in Indian context. India being a country of majority of young population and the growing usage of internet by young consumers, there lies a great opportunity for online business. Thus a study could be carried out for better understanding factors influencing online shopping decisions of young consumers.

## OBJECTIVE OF THE STUDY

The objective of this study is to identify the factors influencing online shopping decisions of young consumers in Odisha.

## RESEARCH METHODOLOGY

### 1. Research Design

A descriptive approach has been adopted in the research design. This has led to get the desired result by using cross-sectional study. The cross-sectional study among the university/college students has been based upon the methodologies adopted in previous empirical studies conducted in various parts of the world. It has been helpful on fulfillment of the objective of the research.

### 2. Research method

The research method is 'Quantitative' in nature and has the survey method through a structured questionnaire to identify the product involvement factors.

### 3. Development of Instrument

The questionnaire has been developed by adopting 6 items from the study of Narwal & Ravi Kant (2014) & 7 items from study of Sam & Chatwin (2015) and 5 items developed by the researcher themselves as suitable for the study. All these 18 questions are answered by the respondents with one choice selecting on the basis of 5 point Likert scale i.e. (1-Strongly Disagree, 2-Disagree, 3- Neutral, 4- Agree and 5- Strongly Agree). Other questions for demographic details are also included in the questionnaire.

### 4. Sample and Source of Data

The scope of the study is restricted to the university/college students and a purposive sampling has been undertaken. The university/college students have been selected as per their gender, educational qualification, course, and age group.

### 5. Sampling Design

It has been observed from the literature review that the studies across the world have taken the sample of undergraduate and post graduate students. So, the sampling design consists of a sampling frame which defines the list of students of Universities and colleges at Bhubaneswar, Berhampur, Balasore, Koraputin the age group of 17-30 years. Both boys and girls students are included in the sampling process. The questionnaire was administered to 209 students in total. However, after the scrutiny of the

feedback data only 200 questionnaires were found relevant.

### 6. Formats of Data

As the study is empirical in nature, the primary data has been collected from the respondents by using survey method through administering the structured questionnaire to the respondents.

### 7. Tools for Data Analysis

The data analysis has been carried out with descriptive statistics as well as techniques like Factor Analysis used to find out the factors of product involvement. Software spss-19 has been used for data analysis.

## DATA ANALYSIS

The data has been analysed by using appropriate statistical methods and tools as applicable to meet the Objective i.e. 'is to identify the factors influencing online shopping decisions of young consumers in Odisha'

**1. Reliability of the scale:** The reliability of the scale is tested by using software spss-19 and the Cronbach's alpha is 0.678 which is acceptable.

**2. Analysis of KMO and Bartlett's Test:** In pre analysis part the KMO and Bartlett's Test (Table-1) indicates that the result of sampling adequacy is 0.793. Factor analysis can be carried out if the KMO measure of Sampling Adequacy is more than 0.5 and Bartlett's Test of Sphericity is 841.368 which is significant at  $p < .001$  thus, indicating the sample is suitable for factor analysis (Malhotra and Dash, 2012, p.590).

**Table 1: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.793
Bartlett's Test of Sphericity	Approx. Chi-Square	841.368
	df	153
	Sig.	.000

To carry out further, Multivariate technique has been used wherein the Interdependence Technique i.e. Exploratory Factor Analysis has been carried out by using 18 items i.e. 6 items adopted from the study of Narwal & Ravi Kant (2014) & 7 items from study of Sam & Chatwin (2015) and 5 items developed by the researchers themselves as suitable for the study. As the factor analysis provides the result by combining the related variables in to groups which is helpful for grouping similar characteristic into one group or factor. The output of the factor analysis is as follows:

### 3. Factor Analysis Output for identifying factors influencing online shopping decision:

**Table 2: Communalities**

	Initial	Extraction
I purchase product/service on-line	1.000	.534
I purchase product off-line by using on-line information	1.000	.506
I do searching alternatives of goods/services on-line	1.000	.317
Making comparison among product/services on-line is easy	1.000	.598
Making payment easy on-line	1.000	.649
Placing order on-line is easy	1.000	.605
Saving money through on-line shopping	1.000	.592
Saving time through on-line shopping	1.000	.585
It is pleasure to surf and purchase on-line	1.000	.582
Involvement is more in on-line shopping	1.000	.581

One can enhance knowledge and decision-making skill through online shopping	1.000	.550
When I go shopping on-line, privacy and security are very important	1.000	.582
It is very important for the websites to offer communication channels to me for product enquiries and order tracking	1.000	.516
It is very important for the websites to offer a product searching service to me	1.000	.511
It is good if the websites can offer customer reviews on the products	1.000	.621
It is good if the websites can offer social networking facilities so I can share product comments with my friends	1.000	.454
It will be annoying to get a lot of animated effects on the business websites	1.000	.615
Design layout of business website is one of the important factors to make buying decisions	1.000	.608

Extraction Method: Principal Component Analysis.

**Table 3: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.523	25.129	25.129	4.523	25.129	25.129	2.619	14.550	14.550
2	1.797	9.982	35.111	1.797	9.982	35.111	2.057	11.428	25.978
3	1.472	8.178	43.289	1.472	8.178	43.289	2.010	11.168	37.146
4	1.178	6.545	49.833	1.178	6.545	49.833	1.744	9.690	46.837
5	1.035	5.750	55.584	1.035	5.750	55.584	1.575	8.747	55.584
6	.996	5.536	61.120						
7	.886	4.921	66.041						
8	.855	4.753	70.794						
9	.769	4.271	75.065						
10	.685	3.804	78.869						
11	.614	3.412	82.281						
12	.603	3.351	85.632						
13	.544	3.025	88.657						
14	.477	2.652	91.308						
15	.461	2.559	93.867						
16	.419	2.327	96.194						
17	.371	2.062	98.257						
18	.314	1.743	100.000						

Extraction Method: Principal Component Analysis.

**Table 4 : Rotated Component Matrix**

Rotated Component Matrix <sup>a</sup>					
	Component				
	1	2	3	4	5
Making payment easy on -line	.740				
Making comparison among product/services on -line is easy	.689				
Placing order on -line is easy	.598				
It is good if the websites can offer customer reviews on the products	.560				
I purchase product/service on -line	.552				
When I go shopping on-line, privacy and security are very important		.729			
It is very important for the websites to offer communication channels to me for product enquiries and order tracking		.693			
It is very important for the websites to offer a product searching service to me		.688			
Saving time through on -line shopping			.722		
It is pleasure to surf and purchase on -line			.677		
Saving money through on -line shopping			.540		
I do searching alternatives of goods/services on -line			.508		

Involvement is more in on -line shopping				.709	
One can enhance knowledge and decision -making skill through online shopping				.663	
I purchase product off -line by using on -line information				.558	
It will be annoying to get a lot of animated effects on the business websites					.772
Design layout of business website is one of the important factors to make buying decisions					.721
It is good if the websites can offer social networking facilities so I can share product comments with my friends					.536

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 10 iterations.

#### 4. Interpretation

The factor analysis is primarily aimed at investigating the factors influencing the online shopping decision. The data was analysed through spss-19 to summarise (Table-2 to 4) the 18 variables. The data are subjected to principal component analysis, under exploratory factor analysis. The data are analysed through varimax rotation to reduce the variables into groups with factor loading of 0.5 and above. The factors with eigen value greater than one were considered to be significant.

**Table 5 : A summarized table showing the result of Factor Analysis**

Factors Influencing Online shopping decision				
Factors/Items	Factor Loading	Eigen-value	Variance (%)	Cumulative Variance (%)
<b>Factor-1</b>		4.523	25.129	25.129
Making payment easy on -line	.740			
Making comparison among product/services on -line is easy	.689			
Placing order on -line is easy	.598			
It is good if the websites can offer customer reviews on the products	.560			
I purchase product/service on -line	.552			
<b>Factor-2</b>		1.797	9.982	35.111
When I go shopping on-line, privacy and security are very important	.729			
It is very important for the websites to offer communication channels to me for product enquiries and order tracking	.693			
It is very important for the websites to offer a product searching service to me	.688			
<b>3. Factor-3</b>		1.472	8.178	43.289
Saving time through on -line shopping	.722			
It is pleasure to surf and purchase on -line	.677			
Saving money through on -line shopping	.540			
I do searching alternatives of goods/services on -line	.508			
<b>4. Factor-4</b>		1.178	6.545	49.833
Involvement is more in on -line shopping	.709			
One can enhance knowledge and decision -making skill through online shopping	.663			
I purchase product off -line by using on -line information	.558			
<b>5. Factor-5</b>		1.035	5.750	55.584
It will be annoying to get a lot of animated effects on the business websites	.772			
Design layout of business website is one of the important factors to make buying decisions	.721			
It is good if the websites can offer social networking facilities so I can share product comments with my friends	.536			

In the Table-5, the result of the factor analysis shows 5 factors of eigen value greater than 1.0 and accounted for 55.58% of total variance, and it is imperative to say that the total variance explained is good.

### 5. Interpretation of the Factors Emerging in Factor Analysis

Referring to Table-5, Factor-1 represents the 'Convenience' factor influences the online shopping decision of consumer; Factor-2 represents the 'Security and Privacy on Website' factor; Factor-3 represents the 'Time and Cost Efficiency' factor; Factor -4 represents the 'Online Product Information availability' factor; and Factor -5 represents the 'Website Interface' factor which influences the online shopping decision of consumer.

### CONCLUSION

In a general practice, the consumers purchase multitudes of products to fulfill their diurnal needs and luxurious aspirations. In the process of buying, an important medium, i.e. 'channel of shopping' also plays a major role. Here, channel of shopping implies the online shopping. Internet has helped the consumer in the decision making process while buying the products online by providing information for searching product and comparing the features and price of the product. However, the off-line purchases are also now a days also are influenced by online information of the product. The customer has a choice to go for online purchase or off-line purchase depends upon how much the on-line information and product variety availability on-line influences the consumer. The outcome of this paper is the intervening factors that influence the online shopping decisions of young consumers in Indian context. The factors emerge in the current study which influence the decision of on-line shopping are Convenience, Security and Privacy on Website, Time and Cost Efficiency, Online Product Information availability, Website Interface. In this context, the current study may enable the marketers to devise better strategies and designs of new age online marketing platform. This study has been carried out with a limited size of sample and is product independent. However, a study with larger sample may yield different results.

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