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# Antecedents of Online Shopping Attractiveness: The Youngster Perspective

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*Abstract-* With growing digitalization and enhancement of IT infrastructure, the youngsters are utilizing the power of internet to buy things online. As the acceptance of online shopping is rising among Indian consumers, the competition is also increasing in E-Commerce space. As many e-commerce websites are in the field, they all are studying the attributes which influence's customers for online shopping. This paper highlights the attributes which leads to online shopping attractiveness in young generation in India. The review of literature identified sixteen important attributes which can be converged into the following four main dimensions that can be named as determinants of online shopping attractiveness: (a) Ease of Transaction (b) Website Image (c) Product Information (d) Website Security. This study is relevant to academician, researchers and industry people who works in the field of E-Commerce.

*Keywords:* *online, shopping, attribute, website, digitalization.*

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# Antecedents of Online Shopping Attractiveness: The Youngster Perspective

## Determinants of Online Shopping Attractiveness: The Youngster Perspective

Dr. Deepika Jhamb [α] & Mr. Sahil Gupta [σ]

*Abstract-* With growing digitalization and enhancement of IT infrastructure, the youngsters are utilizing the power of internet to buy things online. As the acceptance of online shopping is rising among Indian consumers, the competition is also increasing in E-Commerce space. As many e-commerce websites are in the field, they all are studying the attributes which influence's customers for online shopping. This paper highlights the attributes which leads to online shopping attractiveness in young generation in India. The review of literature identified sixteen important attributes which can be converged into the following four main dimensions that can be named as determinants of online shopping attractiveness: (a) Ease of Transaction (b) Website Image (c) Product Information (d) Website Security. This study is relevant to academician, researchers and industry people who works in the field of E-Commerce.

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## I. Introduction

### a) Online Retailing

The internet provides a marketplace where buyers and sellers conduct transactions directly, interactively and in real time beyond the physical limitations of traditional brick-and mortar retailers, (Brynjolfsson and Smith 2000; Butlar and Peppard 1998; Griffith and Krampf 1998; Peterson et al. 1997; Yun and Good 2007). The growth of internet retailing has been phenomenal over the past few years. Although the "bricks-and-mortar" store continues to be the major channel of retailing, more and more retailers are resorting to online retailing because of consumers' positive response for online retailing. Some researchers have identified shopping enjoyment as a key shopping goal even in the case of "bricks-and-mortar" and online shopping, (Gillet 1970; Koufaris et al. 2001-2002; Childers et al 2001; and Wolfinbarger and Gilly 2001). Online retailers are embracing the advantages of dynamic interface design to keep shoppers happy and spending. As the use and popularity of the internet continues to increase, the preference of online shopping is also increasing. Online shopping still has a large growth potential. It is important for online retailers to develop effective web presence and back office operations. With increased competition in online retailing, e-tailers must focus on effective design of websites. According to Li and Tang (2011), the competition among e-tailers also tends to be on price dimensions. Such competition leads to substantial price dispersion in the internet markets. As consumers' are accepting internet purchasing, retailers have quickened their adoption of the internet and started using sophisticated information technologies to improve their online presence.

### b) Growth of Online Retail in India

The internet represents a huge marketing opportunity in India, as the use of technology and means of conducting business continues to rise. The number of people assessing the internet and entering into commercial transactions has been increasing. These transactions have been witnessed for both organizational as well as personal buying, (Joines et al. 2003; Jayawardhena 2004 and Sahney et al. 2008). The retail sector accounted for estimated value of US$ 422.09 bn in 2011 is likely to increase to US$ 825.46 bn by 2015 (BMI India Retail Report, 2012). The Indian e-commerce market is growing rapidly. With the introduction of internet and its extensive penetration into common man's life retailing has no longer remained a personal visit activity, but is inching towards online retailing.

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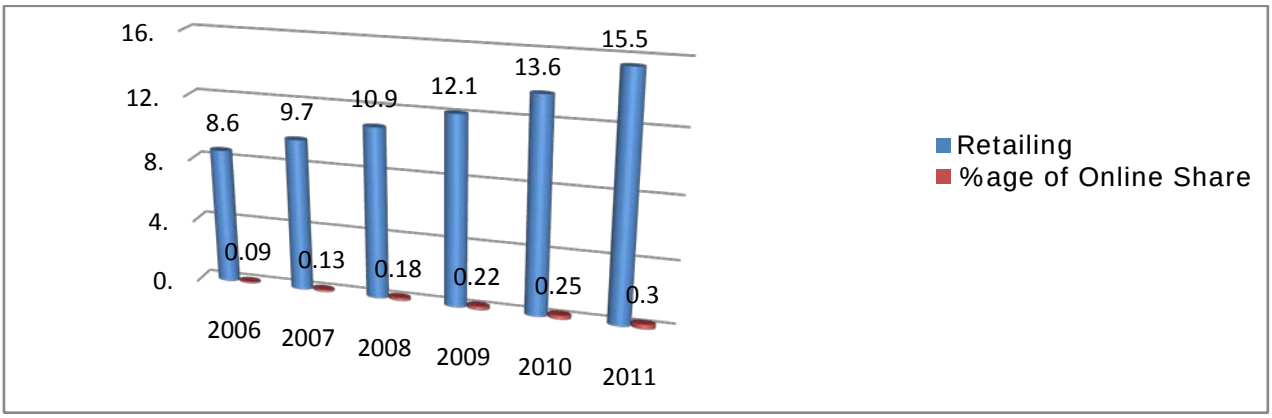
Penetration of Technology (Bn)

| Technology Use | 2005 | 2012 | 2015 | 2020 |
|---|---|---|---|---|
| People with internet access | .025 | .110 | .300 | .800 |
| Mobile phone subscribers | .150 | .930 | 1.000 | 1.100 |
| Smart phone users | .001 | .040 | .250 | .450 |
| Laptop and notebook users | .001 | .012 | .050 | .150 |

*Source: Technopak Advisors report August 2012*

The reliance on e-tailing can be gauged through the facts that its size in Indian market has been estimated as USD 14 bn in 2012 and is projected to reach USD 74 bn by 2017 (Technopak Report, August 2012). Indian e-commerce market, on the back of increasing internet penetration and the convenience it offers, has grown at a relatively high growth rate over the past few years.

Share of Online Retail to total Retail Sales INR Lac Crores (2006-2011)




*Source: India Retail Report 2013*

Though e-tailing is still a very small part of overall retail in India (0.3percent) as depicted in above diagram, it is projected to grow at a fast pace (reaching 1.4percent by 2015) and over the next decade its presence will be even more significant. Also, unlike several organized retailing, online retailing is not limited to large cities. As per IAMAI (2013), 48percent of the total urban internet usage was in smaller cities (with population below 1 Mn) and only a third of internet users were in top 8 metros in 2011. Consumer awareness of the latest brands and fashion trends has further fuelled aspirations to own global products and brands, but the limited availability of these in tier II and III cities is driving consumers to go online and shop. Another driver for growth is multiple payment options offered by players (like cash on delivery) and the flexibility in product replacements/exchanges, which have instilled confidence in the small town consumer and created trust in online buying. As per Technopak Advisors Report August 2012, 35percent of Indian population is between 15-35 years of age. India's internet audience is also young, with 15-34 year olds making up 75percent and 25-34 year olds alone accounting for 40percent visitors to e-tailing sites comprise about 50 percent of this population.

## II. Review of Literature

In this section an effort has been made to understand the development in online shopping during the last decade with a view to identify the attributes and concerns of online shopping attributes. Internet has brought about social, economic and psychological changes and novelties into the life of common man. Online shopping comes as one of the recent innovations in Indian economic system. As per Aren et al. (2013), online shops have now a day's become more and these varied due to differences between bricks-and-mortar and click-and-mortar stores. Due to busy working and social life, time is gaining more importance. So, online shopping let consumers save time while fulfilling their fundamental needs, cover a variety of products and services in a short time and also helps to avoid traditional shopping costs. Online retailing has attracted a great deal of attention in recent years due to its potential and implications for both buyers and sellers. From the retailers perspective, e-commerce as a way of



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doing business that offers a number of advantages like technology improvement that provide greater convenience and more information than traditional retailing. From consumers' point of view, online shopping offers convenience, constraint of time and space disappear, (Eroglu et al. 2001; Kalakota and Whinston 1997; Burke 1997; Li, Ko and Russell 1999, Morganosky and Cude 2000 and Syzmanski and Hise 2000). As per Grewal et al., (2004) product category, access to information, access to price information, novelty, accessibility and convenience are the major attributes of online shopping websites. The study by Teo (2006) indicated that consumer's expectations from online shopping websites include easy contact, providing sufficient information and online security of transaction. Researchers suggested various strategies like prompt delivery, reliable delivery, reliable supply chain practices, focus on reverse logistics, maintaining accuracy of orders and ensuring security while transacting online for better performance. Dawn and Kaur (2011). The findings of the study Chen and Dubinsky (2003) indicated that customer's valence of their online shopping experience and website reputation is positively related to perceived product quality. The retailers providing superior products, excellent service quality, a reputable company image, a user friendly website and a favorable total shopping experience perform better and seemingly can justify the prices and pique the target market. Though, Indian market presents lucrative opportunities for online shopping, there is a limited research to understand Indian consumers online shopping preferences. To cover this gap, the present paper identified sixteen important attributes of online shopping attractiveness from previous studies and applied factor analysis to classify the attributes as per there importance.

## III. Conceptual Development

Zhou et al. (2007) the potential benefits of online shopping for consumers include convenience, various selection, low price, original services, personal attention, and easy access to information, among others. Jiang et al. (2009) identified the key convenience dimensions of online shopping and author is of the view that convenience has been one of the principal motivations underlying customer inclinations to adopt online shopping. Further, the five dimensions of online shopping convenience are: access, search, evaluation, transaction, and possession/post-purchase convenience. See-To et al. (2014) measure characteristics of payment methods that affect customer attitudes towards online shopping behavior. Authors concluded that the nature of product and services on offer and the consumer segments targeted can encourage offering those payment methods that consumers are more likely to accept, which could in turn increase the probability of completing the transaction and not abandoning the shopping cart.

Liu et al. (2004) and Kim and Prabhakar (2004) is of the view that an acceptable refund/return policy would increase the company's credibility and customer trust on online shopping websites. Transaction security is also one of the important dimensions for the success of online trading for providing the online company's institutional status on its payment and refund system, as well as on its policy on the use of private information, (Reddy et al. 2015). According to Cyr (2008), an effectively designed Web site may engage and attract online consumers resulting in satisfaction with an online retailer. Marcus and Gould (2000) is of the view that well designed user interfaces improve the performance and appeal of the Web, helping to convert "tourists" or "browsers" to "residents" and "customers."Limayem et al. (2000) pointed out that the items like site accessibility, web page loading speed, navigation efficiency, product description, and transaction efficiency are significantly contribute towards online shopping. Authors also recommended that providing a valuable and accurate product description will lead to higher online customer satisfaction. Eroglu et al. (2001) expressed that online shopping offers convenience (temporal and spatial), value (through price comparison opportunity), and hedonic consumption possibilities to consumers' by which the potential benefits of the internet can be realized. Further, online customers are more inclined to patronize retailers which offer a substantial variety of services. This is especially in the case of desired services which are not widely available at physical outlets i.e. product and price comparison. Online customers thus expect higher levels of service quality than traditional channels customers, Lee & Lin 2005).

## IV. Methodology

*a) Measurement*

As per the review of existing research on online shopping patronage, Sixteen items were measured on five point Likert scale (1 = strongly disagree to 5 = strongly agree). Table 1 summarizes the linkage of previous authors and items used for measurement on shopping mall attractiveness attributes in the research.



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*Table 1*

| | Convenience | Mode of payment | Prompt Delivery | Installation | After sales support | Price | Offers and discount | Return policies | No. of Brands | No. of Products per Brand | Service offerings | Service information | Description of the merchandise | Terms of sale | Safety | Site design |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Li and Tang (2011) | ✓ | | | | | ✓ | | ✓ | | | ✓ | | | | | |
| Eroglu et al. 2001 | ✓ | | | | | | | | | | | | | | | |
| Kalakota and Whinston 1997 | ✓ | | | | ✓ | | ✓ | | ✓ | | | | | | | |
| Burke 1997 | ✓ | | | | | | | | | | | | | | | |
| Li, Kuo and Russell 1999 | ✓ | ✓ | | ✓ | | | | | | | ✓ | | | | | |
| Morganosky and Cude 2000 | ✓ | ✓ | | | | | | | | | ✓ | | | | | |
| Syzmanski and Hise 2000 | ✓ | ✓ | | | | | | | | | ✓ | | | | | |
| Kim et al. (2006) | | | | | | | ✓ | ✓ | | | | | | | | |
| Wolfinbarger and Gilly 2003 | ✓ | | | | | | | | | | | | | | | ✓ |
| Teo (2006) | | | ✓ | | | | | | | | | | | | | |
| Cyr (2008) | | | | | | | | | | | | | | | ✓ | ✓ |
| See-To et al. (2014) | ✓ | ✓ | | | | | | | | | | | | | ✓ | |
| Zhou et al. (2007) | ✓ | ✓ | | | | ✓ | | ✓ | ✓ | | | | | | | |
| Chen and Dubinsky (2003) | | | | | | | | | ✓ | | | | | ✓ | ✓ | ✓ |
| Limayem et al. (2000) | ✓ | | | | | | | ✓ | | | | | | | ✓ | ✓ |



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## V. Results and Discussion

The major driving force for conducting this research is to understand the attribute affecting the shopping behaviour via online platforms. Sixteen attributes are highlighted in table 1. These clusters were named: (1) E-Commerce website Product attributes and (2) E-Commerce website Service Attributes.

*Table 2 :* Exploratory Factor Analysis of E-Commerce website Product attributes

| | Ease of Transaction | Website Image |
|---|---|---|
| 1. Convenience | .757 | |
| 2. Mode of payment | .821 | |
| 3. Prompt Delivery | .701 | |
| 4. Installation | .668 | |
| 5. After sales support | .522 | |
| 6. Price | .452 | |
| a) Eigen Value | 2.78 | |
| b) percent of variance | 38.63 | |
| c) Cumulative Variance | 38.63 | |
| 1. Offers and discount | | .768 |
| 2. Return policies | | .658 |
| 3. No. of Brands | | .574 |
| 4. No. of Products per Brand | | .875 |
| a) Eigen Value | | 2.45 |
| b) percent of variance | | 30.9 |
| c) Cumulative Variance | | 30.9 |

Using factor analysis, of E-Commerce website Product attributes have been classified into the following two factors: (1) Ease of Transaction and (2) Website Image. These two factors explain 69.53 percent of total variance. Ease of Transaction includes Convenience (.72), Mode of payment (.82), delivery (.701), Installation (.668) which leads to variance of 38.63. Website Image factor leads for 44.4percent of total variance.

*Table 3 :* Exploratory Factor Analysis of E-Commerce website Service Attributes

| | Product Information | Website Security |
|---|---|---|
| 1. Service offerings | .678 | |
| 2. Service information | .546 | |
| 3. Description of the merchandise | .675 | |
| 4. Terms of sale | .455 | |
| a. Eigen Value | | |
| b. percent of variance | 2.45 | |
| c. Cumulative Variance | 66.44 | |
| | 26.44 | |
| 1. Safety | | .788 |
| 2. Site design | | .851 |
| a. Eigen Value | | 2.89 |
| b. percent of variance | | 38.34 |
| c. Cumulative Variance | | 38.34 |

Using factor analysis of E-Commerce website Service Attributes are classified into a) Product Information b) Website Security. These two factors explain 64.78 percent of total variance. Service offering and Description of merchandise are higher loading factor in case of Product information while Site design is High loading factors for Website security.

## VI. Conclusion

This research concludes that there are various factors which affect the online shopping behavior of consumers regardless of the various demographic factors. Shopping which was earlier done from traditional brick and mortar shops are now shifted to



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new shopping avenues i.e. the Virtual stores/Online stores. These new shopping platforms gives various types of opportunity and ease for buying the products. As our nation is touching new heights in Information technology, it is also giving a new way to shop and match with growing speed at International levels. For Indian consumers, mode of payment, convenience, prompt delivery, and service offerings are important attributes while performing an online transaction. Simultaneously they are equally concerned for safety and website design which plays an important role in building trust and loyalty towards online shopping platform. Young consumers are also utilizing the internet facilities for getting the product related information as well as they are smartly opting it for doing comparison of product available on these virtual stores which are helping them in taking better decision while making a purchase.

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