

## Trust or Convenience: A Study of Online Buying Behaviour

**Dr. Rajeev Shukla**

Director, Shri Vaishnav School of Management, Shri Vaishnav Vidyapeeth Vishwavidyalaya,

**Dr. Dhanashree Nagar**

Associate Professor, Shri Vaishnav Institute of Management, Indore

**Dr. Ajit Upadhyay**

Professor, Prestige Institute of Management and Research, Indore

### **Abstract**

Internet has revolutionized customers' buying habits. E-buying behavior is the response to online shopping that customers exhibit while browsing websites of online retailers. The emergence of online shopping portals has enforced the marketers to promote and sell their products through different online shopping websites. Present study has been carried with reference to the Theory of Reasoned Action (TRA) introduced by Fishbein & Ajzen, (1975) (in Shukla et.al. 2015) and the Technology Acceptance Model (TAM) explained by Davis. (1989). The study has revealed three factors of online buying named as Contented e-Buyers, Aspirant e-Buyers and Cynic e-Buyers. Further, the findings revealed that the effect of contented e-Buyers is significant that they would continue using web retailing in future buying actions. However, respondents showing Cynic Buying Behavior have shown no significant intention towards web retailing.

**Key Words**– e-tailing, Buying Behavior, Factors of User Intention

### **1. Introduction**

Online shopping has influenced consumers' lives immensely in recent years. E-buying behavior is the response to online shopping that customers exhibit while browsing websites of online retailers in order to search, select and purchase goods and services. It's basically a behaviour which is reflected by the shoppers through the internet. Internet has revolutionized entire shopping scenario. The emergence of online shopping portals has enforced the marketers to promote and sell their products through different online shopping websites.

Online shopping is a low cost alternate distribution channel through which marketers sell their products at reduced prices to compete in large market.

The internet now has resulted in a new mode of exchange between buyer and sellers and has created an alternative for the traditional marketplace. Shopping through the internet has brought a different dimension to commercial activities. Compared to traditional shopping, consumers prefer the internet as shopping medium because of its characteristics like ability to view and shop at any time from any corner of the world, feature like searching information about commodities, place a query / review or give purchase orders. Along with these features, convenience and comparatively lower price are some additional features resulting in acceptance of internet as a new shopping avenue. Web retailing is a convenient platform for customers for ordering products, comparing different options with good bargain at get a complete review about a product or service before going for final buying decision.

Nowadays, the Internet is being widely used for various purposes and has become part of daily life. At its inception internet was used as a medium for communication only but with time it has become a source to learn, entertain and most recently a medium of trade for online vendors. The internet now has resulted in a new mode of exchange between buyer and sellers and has created an alternative for the traditional marketplace. Shopping through the internet has brought a different dimension to commercial activities. Compared to traditional shopping, consumers are preferring the internet as shopping medium because of its characteristics like ability to view and shop at any time from any corner of the world, feature like searching information about commodities, place a query / review or give purchase orders. Along with these features, convenience and comparatively lower price are some additional features resulting in acceptance of internet as a new shopping avenue.

In line of this, the present study has been carried out to understand the factors leading to online shopping behavior in emerging e-commerce environment. The study integrates two important terminologies i.e. Theory of Reasoned Action (TRA) and the Technology Acceptance Model (TAM) (Shukla et.al. 2015) Technology Acceptance Model interprets the degree to which users expect the system to be free from physical and mental efforts. (Davis, 1989; Fairus et.al., 2013) This is a psychological theory that seeks to explain behavior based on perceived ease of use and usefulness of technology. (Fishbein & Ajzen, 1975).

## **2. Review of Literature**

Consumer trust, especially in economic transactions, is the degree of risk involved while they avail e-services. (Koller, 1998; Fukuyama, 1995). It has been observed that online purchase intention is associated with perceived usefulness of online services of web retailers. Online

retailers' status is a significant contributor to customer trust, risk and purchase intentions (Jarvenpaa, 1999) The usefulness of online services is associated with the factors such as perception towards risks and individual's experience. Featherman and others (2002) observed that perceived risk negatively influence the purchase intention of online buyers.

Jarvenpaa et al. (1999) suggest that reducing the level of associated risks with e-buying increases the probability of preference towards a specific web retailer. Shoppers are fascinated by online shopping opportunities and trust more on familiar sites. (Jarvenpaa & Todd, 1997). Personal factors such as age, gender, education, occupation, income, lifecycle stage, lifestyle, personality and self-concept also has an influence on e-buying behavior. It influences the way the consumers think, search or process information for decision making. Their preference and behavior changes with changes in the age and life cycle phase of a buyer. (Brown et. al., 2016) Buyers are entrusted with conviction if they believe that the online retailer delivers the customer perceived values. It is also related to perceived usefulness and ease of use. (Chircu et.al. 2000) Technology Adoption Models usually involve measuring individual perceptions towards technology and environmental characteristics. Technology adoption is correlated with innovativeness and external influences. (Davis et. al. 1989). Integration of trust and perceived usefulness play an important role in user expectations. (Gefen, 1997) Trust helps to reduce consumer's perception towards risk associated with opportunistic behaviour (Ganesan, 1994)

### **3. Objectives of the Study**

- To identify the factors associated with e-buying behavior.
- To analyze the effect of factors of e-buying on user intention.

### **4. Research Methodology**

**4.1 Type of Study:** Descriptive in nature focusing on identifying the factors associated with e-buying/online buying behavior.

**4.2 Sample Frame:** Respondents of Indore

**4.3 Sampling Methodology:** Convenient sampling.

**4.4 Sample Size:** 102

**4.5 Method of data collection:** Primary data has been collected through structured questionnaire

**4.6 Tools used for data Analysis:** Factor analysis, Regression analysis

**4.7 Hypotheses:**

**H<sub>1</sub>:** e-tailing intention is significantly dependent on Contented e-Buyers.

**H<sub>2</sub>:** e-tailing intention is significantly dependent on Aspirant e-Buyers.

**H<sub>3</sub>:** e-tailing intention is significantly dependent on Cynic e-Buyers.

## 5. Results and Discussion

**Table1: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.872
Bartlett's Test of Sphericity	Approx. Chi-Square	1.794E3
	df	630
	Sig.	.000

KMO measure of sample adequacy is coming to 0.872 which is greater than the desired value 0.60. This shows that the sample adequacy is appropriate. Bartlett's test of Sphericity is also significant as the calculated significance value is coming to 0.000.

Factor analysis has reduces 26 items of questionnaire into three factors. These extracted three factors were named as: **Contented e-buyers, Aspirant e-buyers and Cynic e-buyers**

**Table 2: Factor Analysis: Factor 1: Contented e-buyers**

Attributes	Factor loading
Satisfied with performance	0.919
Recommend to others	0.918
Safety in financial transactions	0.862
Trustworthy website	0.834
Websites keep my best interests in mind	0.831
I can predict the offers	0.797
Value for money	0.773
Fulfills commitment	0.665
Facilitates comparison	0.639
Valuable source of information	0.63
Comfortable in dealing	0.618
Useful information	0.60
Easy search	0.544
Overall Dependability	0.511

**Table 3: Factor 2: Aspirant e-buyers**

Attributes	Factor loading
Thorough online browsing	0.867
Gets influenced with ads	0.848
Inclined towards suggestions and reviews	0.715
Dependency on regular buyer	0.709
Referred by Friends & relatives	0.702
Takes time final decision	0.612

**Table 4: Factor 3: Cynic e-buyers**

Attributes	Factor loading
Considers financial risks	0.782
Assurance of claim	0.723
Switch over different websites	0.685
Access in presence of experienced user	0.672
Other Risk associated	0.647
Cost effective	0.557

**Factor 1: Contented e-buyers**—Factor group 1 is named as Contented e-buyers consisting of 14 variables. It includes variables such as satisfaction towards online shopping websites, intention to recommendations, safety, trustworthy and so on. Respondents intended to use the e-commerce technology as this factor group represents the level of satisfaction and comfort with online retailing and thought that these online retailers are functional and trustworthy.

**Factor 2: Aspirant e-buyers** - Factor group 2 is named as Aspirant e-buyers. This group represents the variables associated with respondents' behavior towards seeking the information regarding the online retailer and his services before making final decision. The respondents were influenced by the advertisement and suggestions provided by web retailer. They were prone to friends and relatives suggestion and reflected their behavior towards seeking prior knowledge of web purchasing.

**Factor 3: Cynic e-buyers** – Factor group 3 is named as Cynic e-buyers consisting of 6 variables such as consideration of financial risks, claims, switching over different online shopping sites etc. Cynic buyers represent skeptical buying behavior and are questionable towards effectiveness of online retail portal. Respondents were also reflected their behavior towards access of website in presence of experienced user to minimize the risk.

## 5.1 Results of Hypotheses Testing:

**Table 5**

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.900 <sup>a</sup>	.811	.805	.45536

a. Predictors: (Constant), FAFTHREE, FAFTWO, FAFONE

Table 6

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.377	.251		1.500	.137
	Contented buyers	.782	.047	.861	16.476	.000
	Aspirants	.100	.051	.099	1.950	.054
	Cynic buyers	-.013	.059	-.011	-.215	.830

a. Dependent Variable: User Intention

Table 7

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.960	3	28.987	139.795	.000 <sup>a</sup>
	Residual	20.320	98	.207		
	Total	107.280	101			

a. Predictors: (Constant), Contented buyers, Aspirant buyers and Cynic buyers

b. Dependent Variable: User Intention

The regression model to measure the effects of buyer behavior on user intention found significant (**Table 5**). The identified factors of buyer behavior viz. Contented e-Buyers, Aspirant e-Buyers and Cynic e-Buyers were able to explain 81.1 per cent variation of user intention.

The regression model was explained as below

$$\text{User Intention} = 0.377 + 0.782(\text{Contented e-Buyers}) + 0.1 (\text{Aspirant e-Buyers}) - 0.013 (\text{Cynic e-Buyers})$$

Further the findings revealed that the effect of Contented e-Buyers is significant that they would use web retailing. Similarly Aspirant e-Buyers have also greater potential to become user of web retailing. However, respondents showing Cynic e-Buying behavior have no significant contribution towards web retailing. So, hypothesis **H<sub>1</sub>**: e-tailing intention is significantly dependent on Contented e-Buyers was not rejected. However, hypotheses **H<sub>2</sub>**: e-tailing intention is significantly dependent on Aspirant e-Buyers and **H<sub>3</sub>**: e-tailing intention is significantly dependent on Cynic e-Buyers were rejected.

## 6. Conclusion

The present study is based on the concept of Theory of Reasoned Action (TRA) and Technology Acceptance Model (TAM). The study has explored the factors associated with e-buying behavior. The study has revealed three factors of online buying behavior namely Contented e-Buyers, Aspirant e-Buyers and Cynic e-Buyers. Further, the findings revealed that the effect of Contented e-Buyers is significant that they would continue using online retailing. No doubt that internet provides massive benefits to the customers worldwide in the form of product range, lower prices and so on in various categories. However, respondents showing Cynic e-Buying behavior have shown no significant intention towards online retailing. These explored dimensions of e-buying behavior and their influence on online retailing can be used an opportunity for formulating and developing online retailing strategy by the e-retailers.

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### Web Resources

- <https://chirr.nlm.nih.gov/tam.html>
- <https://www.scribd.com/document/372023795/internet-is-changing-the-way-consumers-shop-and-buys-goods-and-services-docx>

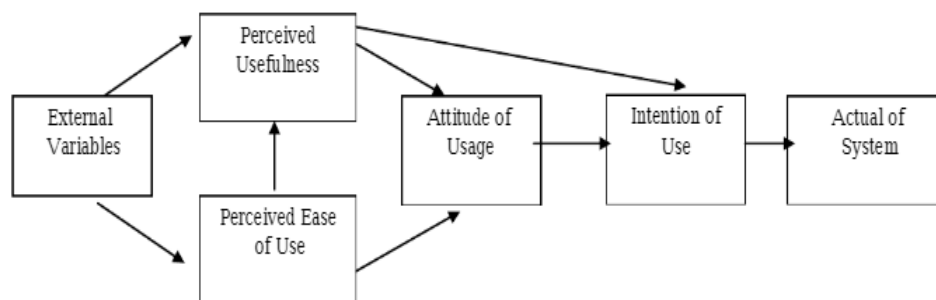


Figure 1: Technology Acceptance Model sources by Davis et. al 1989

Source: Fairus et.al. (2014) <http://journal.utem.edu.my/index.php/jtmt/article/view/59/57>