Unlocking Success: Identifying Crucial Drivers in E-commerce Shopping Experiences

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ARTICLE INFO	ABSTRACT
	The rise and rapid expansion of the internet and e-commerce have triggered notable shifts in our daily lives, presenting both prospects and hurdles for consumers, companies, suppliers, and intermediaries alike. Despite the encouraging growth of online purchasing in recent years, persistent concerns remain regarding transaction security and product delivery reliability. This ambiguity underscores the necessity for companies to explore the factors shaping consumer attitudes toward online shopping. This study aims to uncover the factors influencing consumer behaviour towards online shopping, particularly within the confines of Indore city. While reports indicate a growing trend of online retailing in India, with forecasts reaching significant benchmarks, uncertainties persist regarding adoption rates in tier two cities like Indore. Hence, this research seeks to investigate whether consumers in Indore harbor reservations towards online shopping and, if so, what factors contribute to these hesitations. Utilizing a primary data collection approach involving a sample of 200 respondents chosen through non-probabilistic purposive sampling, this study employs Exploratory Factor Analysis to pinpoint the key factors driving consumer attitudes towards online shopping. The findings unveil four noteworthy factors: Perceived Advantages, Perceived Uncertainty, Website Presentation, and Past Online Interaction. The findings of this research are important for businesses in Indore, a city that's growing quickly. As Indore gets bigger, it's becoming more like a big city. For businesses to succeed here, they need to understand what people like and worry about when they shop online. This study helps businesses see what factors influence people's online shopping habits. With this knowledge, businesses can better adapt to the growing trend of online shopping in Indore, making sure it's safe and reliable for everyone.

INTRODUCTION

E-commerce, or online commerce, has grown rapidly in recent years. With improvements in infrastructure and the growth of India's economy, more global companies are showing interest in the expanding e-commerce market in India, as highlighted in a 2019 Forrester report. Currently, urban consumers in India are leading the way in online shopping, particularly in categories like travel, consumer electronics, and books, although the average spending per online buyer remains modest.

Businesses selling products online primarily target internet users as their main customer base. The success of these businesses in converting potential customers into actual buyers and retaining them largely depends on the quality of services they provide and the satisfaction customers perceive. In both traditional and online business environments, consumer attitude plays a critical role in

determining success. This paper aims to explore the factors that influence consumer attitudes toward online shopping. From a practical standpoint, understanding consumer attitudes and their underlying factors is essential for online sellers to evaluate their performance and identify areas for improvement.

E-tailing, in India

E-tailing, the practice of selling goods and services online, has witnessed remarkable growth and transformation in India over the years. With the proliferation of internet connectivity, the advent of smartphones, and the increasing digital literacy among consumers, e-tailing has emerged as a significant component of the country's retail landscape.

The growth of e-tailing in India can be attributed to several factors. Firstly, the sheer size of the Indian population, coupled with the rising disposable incomes and changing lifestyles, has created a massive consumer base eager to explore the convenience and variety offered by online shopping platforms. Additionally, the government's initiatives such as Digital India and the push towards cashless transactions have further bolstered the e-commerce ecosystem in the country.

Major players in the Indian e-tailing space, such as Flipkart, Amazon, and Snapdeal, have invested heavily in technology infrastructure, logistics, and marketing to enhance the online shopping experience for consumers. These platforms offer a wide array of products ranging from electronics and fashion to groceries and household essentials, catering to the diverse needs and preferences of Indian consumers.

Moreover, the advent of innovative payment solutions, including digital wallets and buy-now-pay-later options, has played a pivotal role in driving consumer adoption of e-tailing. The convenience of doorstep delivery, hassle-free returns, and attractive discounts and offers have further incentivized consumers to embrace online shopping.

However, the e-tailing landscape in India is not without its challenges. Issues such as logistical constraints, last-mile delivery challenges, and concerns regarding data privacy and cybersecurity remain significant hurdles for e-tailers to overcome. Additionally, intense competition and the need to maintain competitive pricing while ensuring profitability pose ongoing challenges for players in the e-commerce space.

Despite these challenges, the future outlook for e-tailing in India remains promising. With increasing internet penetration, rising smartphone adoption, and evolving consumer preferences, the e-tailing sector is poised for continued growth and innovation, shaping the future of retail in the country.

LITERATURE REVIEW

In recent years, there has been a surge in research exploring the attitudes and behaviors surrounding online shopping. Various studies have delved into identifying the factors that influence these attitudes and behaviors, each taking distinct perspectives and focusing on different aspects. For instance, Case et al. (2001) emphasized the significance of internet knowledge, income, and education level as strong predictors of online purchases among university students. Bellman et al.

(1999) observed that while the online population tends to be younger, more educated, and wealthier, demographic factors appear less influential once individuals are online.

Mishra (2009) highlighted the association between age, income, and purchasing attitude, while Banerjee et al. (2010) revealed a significant relationship between online shopping and family income, as well as the frequency of internet usage. Demographic variables such as age and income were found to have a preliminary positive impact on online shopping behavior. Convenience, alongside factors like pricing, utilitarian orientation, and product selection, were noted to influence consumer attitudes toward online shopping (Delafroozn et al., 2009).

Additional factors such as website design, reliability, customer service, and security/privacy were explored by Alam et al. (2008) and found to significantly influence consumer perceptions of online shopping. Perceived risk emerged as a significant factor affecting consumer behavior (Vijayasarathy and Jones, 2000). Liebermann and Stashevsky (2002) and Forsythe and Shi (2003) provided evidence supporting a relationship between perceived risk and frequency of use. It was suggested that perceived risk could particularly impact sporadic internet shoppers, hindering the conversion of browsers into shoppers (Forsythe and Shi, 2003; Cunningham et al., 2005).

Furthermore, risk perceptions and lack of trust were identified as major obstacles to the adoption of online shopping (Mukherji & Thomson, 2007). Jarvenpaa and Todd (1997) proposed a comprehensive model of attitudes and shopping intentions towards internet shopping, encompassing indicators related to product value, shopping experience, website service quality, and risk perceptions. In research by Vellido et al. (2000), nine factors associated with users' perceptions of online shopping were extracted, with risk perception emerging as the primary discriminator between online buyers and non-buyers. These findings underscore the pivotal role of consumer attitudes in influencing actual buying behavior, alongside factors such as control, convenience, affordability, customer service, and website usability.

OBJECTIVE

The basic objective behind conducting this study is to identify the key factors influencing consumer attitude towards online shopping and analyze key factors that significantly influence consumer behavior in online shopping environments. This study aims to:

1. Identify the critical drivers that shape user experiences in e-commerce platforms.

2. Explore how these factors impact customer satisfaction, retention, and purchasing decisions.

3. Examine the role of technology, website design, payment options, customer service, and logistics in enhancing the online shopping experience.

4. Propose strategies for optimizing e-commerce platforms to improve user engagement and increase conversion rates.

5. Provide actionable insights for e-commerce businesses to leverage in driving success and maintaining a competitive edge in the digital marketplace.

RESEARCH METHODOLOGY

Population and Sample

This study included participants from Indore who were above 18 years old and had bought products online. From July to October 2019, 225 consumers were given a questionnaire to fill out. The sampling method used was a mix of convenience and purposive sampling. Around 200 questionnaires were returned, giving a conversion rate of about 90%. Only the 200 fully completed questionnaires were used for the study. The data collected were analyzed using the Statistical Package for Social Sciences (SPSS 22.0) for Windows, with Factor Analysis being the main method used for data analysis.

The data for this study was collected using a self-structured questionnaire divided into two parts. The first part focused on gathering demographic information about the respondents, while the second part included questions about variables that could influence online shopping behavior. Most of the questions in the questionnaire were adapted from previous research, but some new questions were developed specifically for this study to address concepts not covered in previous research. Participants were asked to rate their responses on a Likert scale ranging from 1 to 5, where 1 indicated strong disagreement and 5 indicated strong agreement with the statements.

Data Analysis

The survey results are organized as follows. In the first section, the demographic profile of the respondents is presented. The second section presents the results of data analysis and concludes with discussion and recommendation of respondent consumers in Indore regarding online shopping.

Demographic Characteristics

The table 1 exhibits the demographic traits associated with the respondents considered for the purpose of this study:

As seen from the table 1, majority of respondents were males (58%) and aged between 31 to 50 years (88%). As expected, majority of the respondents (76%) were married and 24% of the respondents had less than Rs. 3 lacs income. A maximum of 43.5% of respondents were graduate and only 6.5% were having professional degrees.

Factor Analysis

The factor analysis is a widely used multivariate technique in marketing research. Factor analysis trims a large number of variables to reach at few factors to explain the original data more economically and efficiently. Marketing decision makers always try to figure out what exactly makes a customer buy a product and what really drives buyer behaviour from a large number of purchasing criteria. Factor analysis is an important tool for resolving this confusion and identifying factors from an array of seemingly important variables. The suitability of the data for factor analysis was tested via the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, which tests the partial correlations among the items, and its value should be greater than 0.5 for a satisfactory factor analysis to proceed (Westland & Clark, 1999). The results of both the KMO (.664) and Bartlett's test

of sphericity (.000), indicate that it was appropriate to apply the exploratory factor analysis techniques to this dataset. Table 2 exhibits the result of KMO and   Bartlett's test of sphericity.

The initial factor solution was obtained using principal component analysis (PCA) and varimax rotation. The rotation converged in 36 iterations identifying the four principle components with Eigen value of at least 1. A critical decision to be made in factor analysis is the number of factors to extract and a typical approach is the Kaiser-Guttman rule which states that an eigenvalue (i.e. the variance accounted for by each factor) of greater than one is the criterion required because it wouldn't make sense to add a factor that explain less variance than is contained in one variable. By employing the method, four factors were identified in this study. These factors have been extracted from 24 finally considered variables. Each factor has been defined by at least 6 variables and all the extracted communalities after rotation are more than 0.5, ensuring the appropriateness of factor analysis for this work. These four factors put together explain a total of 65.6% of the total variance.

With regard to result reported in Table3, Factor 1 loaded on the first 7 variables. This factor can be labeled as ***Perceived Benefits*** appeared as the most dominant factor of online shopping of respondent consumers. It indicates that consumers have positive attitude towards online shopping as it is convenient, fun, provide rich information, less price and saves physical efforts.

Factor 2 loaded on next 7 variables. These seven variables seem to be associated with the risk of online shopping, and hence this factor can be labeled as ***Perceived risk.*** Consumers perceive risk. in terms of being cheated, exorbitant prices being charged, delivery by a stranger, lack of safety in paying through credit card and misuse of personal information. This perceived risk has also resulted from lack/complexity of return process and absence of cash on delivery option. This factor explained 24% of the total variation in the factor analysis.

Third factor, which loaded upon next six variables, can be labeled as ***Website design*** as the variables are associated with the website design and characteristics. It explains 14.4% of total variance and includes variables such easy ordering layout, price advantage and diversity of merchandise, varied choices of companies and products, cash on delivery option etc. It indicated that consumer perceive website design as an important factor which influence their attitude towards online purchasing.

The fourth factor can be labeled as ***Previous Online Experience***, as the various variables associated with it highlight the previous online experience of customer and the background or context of the online purchasing This factor explains 10.9% of the total variance. In the online shopping context, consumers evaluate their Internet shopping experiences in terms of satisfaction, pleasant experience and recommendation to friends/relatives.

DISCUSSIONS AND RECOMMENDATIONS

The results of the study indicated that Perceived benefits, perceived risk, website design and previous online experience are the four dominant factors, which influenced the attitude of consumers towards online shopping in Indore. All of these variables have received strong and consistent support from the existing literature. For consumers in Indore, Shopping convenience seems to have the highest impact on the perception of perceived benefits. Consumers wanted to save time in travelling to buy products. They appreciate shopping convenience of internet shopping as it is available 24 hours a

day, 7 days a week. Shopping convenience was also explored as important variable by Mathieson, 1991; Bruner and Hensel, 1996; Turban et al., 2002; Shergill, S.G., and Chen Z. 2005; Bhatnagar and Ghose, 2004. According to the Robinson et al. (2007) the major motivation for online purchasing is convenience in terms of shop at any time and having bundles of items delivered at door step. Further customers can purchase variety of products from any vendor located domestically or abroad. In Indore, due to wired lifestyle, consumers prefer to purchase online. They preferred benefits from choices, time saving, and prices, to information or enjoyment when buying products online.

But perceived risk associated with online buying also had an influence on attitude towards online shopping. It indicates that risk in terms of delivery of products, safety in payment through credit card, doubt in quality of product delivered, fear of misuse of Personal information, home delivery by stranger and non-returnable policy of goods etc. The two major concerns security of online payments and privacy of personal information have also been considered as important by Cunningham et al.(2005), Liberman and Stashevsky (2002); Park and Kim(2003); Miyazaki and Fernandez (2001);Suresh &Shashikala (2011),. Privacy risks have a negative association with online purchasing behavior and deter internet users from shopping online frequently (Doolin et al., 2005). Bhatnagar, et al.(2000) observed that the consumer makes his choice under condition of uncertainty and internet is perceived to be quite risky.

E-sellers who can assure consumers of the security of their credit cards and personal information will have an advantage over those who cannot. Hence it is recommended that marketers must give a thought to this factor when they design their online strategy. Marketers can provide web assurance- a third party service that improves the reliability of information provided on a website to help instate consumer confidence in an online retailer. (Zhou et al., 2007). Marketers may also focus improving organizational reputation, which is able to trade off the perceived risks on consumer shopping attitude and behavior.

Further, finding of this study implies that website design has a positive impact on attitude toward online shopping (Kim & Kim, 2004). Prior studies like Ranganathan and Ganapathy (2002) have empirically observed that right information on the website generates purchase intention and updated information generates loyalty.(Ganguly et al., 2009). If the website design describes is more user friendly than customers are willing to visit more often and stay longer with attractive web sites.(Kim and Lee (2002). Therefore E-tailors should focus on website design and build technological system simple, provide multiple language options and easy to understand navigation bars (RamayahT.and Ignatius J., 2005).

FUTURE RESEARCH

Although the study successfully achieved its objectives, it has identified several limitations. Firstly, it focused solely on individuals aged 18 and above residing in Indore city who are current Internet users. This narrow scope may restrict the generalizability of the findings to the broader population of online consumers. Thus, there is an opportunity to include more diverse demographic groups in future research. Secondly, the study utilized a limited set of variables. Future researchers could explore additional factors such as trust, reliability, and shopping motives to further investigate

consumer behavior towards online shopping. Although the sample size was deemed acceptable, increasing it in future studies could enhance the robustness of the findings.

CONCLUSION

In conclusion, the rise of e-commerce presents a significant opportunity for businesses worldwide, including in emerging markets like India's tier II cities such as Indore. As consumers increasingly turn to the internet for both information and entertainment, the potential for online purchasing continues to grow. However, to capitalize on this potential, companies must prioritize building trust and usability into their online platforms. This involves not only functional considerations but also addressing consumer concerns about perceived risks associated with online transactions. By implementing effective risk-reducing strategies and optimizing their marketing mix, businesses can enhance the likelihood of success in this evolving e-commerce landscape. As such, e-buying stands poised as a pathway to future business success, offering the promise of enduring relationships with individual customers and long-term growth opportunities for organizations willing to embrace the digital marketplace.

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APPENDICES

Table 1: Demographic characteristics of respondents

Variables and categories	N=200	%
Age		
18-30	24	12%
31-50	176	88%
Gender		
Male	116	58%
Female	84	42%
Marital Status		
Married	152	76%
Unmarried	28	14%
Income		
Less than Rs. 3 lacs	48	24%
Rs.3 lacs to 5 lacs	28	14%

Educational Qualification		
Graduation	87	43.5%
Post graduate	33	16.5%
Professional	13	6.5%
Other(specify)	67	33.5%

Source –On the basis of data collected by respondents

Table: 2 KMO measure of Sample adequacy and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.664
Bartlett's Test of Sphericity Approx. Chi-Square	6623.587
Df	435
Sig.	.000

Source- Based on data analysis derived from data collected by respondents