

RESEARCH ARTICLE

A study of Awareness and Perception of residents of Ludhiana (Punjab) towards Online Shopping

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Abstract

Online shopping is buying of products or services over the Internet. When it applies to the subset of website based ad placements it is commonly referred to as Web advertising and/or Web Marketing. The Internet has brought many unique benefits to marketing including low costs in distributing information and media to a global audience. The interactive nature of Internet marketing, both in terms of instant response and in eliciting response, are unique qualities of the medium. Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. A motivated person is ready to act. How the motivated person actually acts is influenced by his or her perception of the situation. Perception depends not only upon the physical stimuli, but also on the stimuli's relation to the surroundings field and on the condition within the individual. People's behavior is based on their perception of what reality is, not on reality itself. Perception is understood as the act of seeing what is there to be seen which is influenced by the individual, the object and the situation. Perception is the process by which an individual selects, organizes, and interprets the information inputs to create a meaningful picture of the world. In simple terms, perception is why the same universe is viewed differently by different people. This study was undertaken with an aim of understanding the awareness and comparing the perception towards online shopping for 100 residents of Ludhiana (Punjab, India) and the customers were selected through quota sampling. The outcome of this process is discussed in this study.

Keywords: Online shopping, web marketing, perception, sensory impressions, physical stimuli.

Introduction

Online shopping is a growing area of technology. Establishing a store on the internet, allows for retailers to expand their market and reach out to consumers who may not otherwise visit the physical store. The convenience of online shopping is the main attraction for the consumers. Unique online payment systems offer easy and safe purchasing from other individuals. The benefits of shopping online also come with potential risks and dangers that consumers must be aware of. In future, we can expect online stores to improve their technology tremendously, allowing for an easier and a more realistic shopping experience. Moreover, online shopping is considered as a type of electronic commerce, which is employed for B2B or business-to-business or B2C or business-to-consumer transactions or deals. Mail order catalogues that were popular then were replaced by online catalogues. Further, different types of stores have retail web sites, including those that do and do not also have physical storefronts and paper catalogues. On the other hand, 'web shop' may also refer to a place of business where web development, web hosting and other types of web related activities take place (Web refers to the World Wide Web and 'shop' has a colloquial meaning used to describe the place where one's occupation is carried out). With online shopping, people can shop 'til they drop out of their seats, quite literally (XMLUK.org).

Perception is the process by which individuals select, organize and interpret stimuli into a meaningful and coherent picture of the world. Perception has strategy implications for marketers because consumers make decisions based on what they perceive rather than on the basis of objective reality. Consumers' selections of stimuli from the environment are based on the interaction of their expectations and motives with the stimulus itself. People usually perceive things they need or want, and block the perception of unnecessary, unfavorable, or painful stimuli. The principles of selective perception include the following concepts: selective exposure, selective attention, perceptual defense, and perceptual blocking.

Perception process consists of three stages: Selection, Organization and Interpretation. Selection is the first stage in the perception process in which the stimuli is selected through the senses: sight, sound, smell, taste and touch. Organization is the second stage in which the stimuli (information) are mentally arranged so that a sense can be formed of the stimuli or it can be understood. Interpretation is the third stage in the perception process in which the meaning is attached to the stimuli. Interpretations are subjective and are based on values, needs, beliefs, experiences, expectations, involvement, self-concept and other personal factors.

Bellenger and Korgaonkar (1980) stated that the ability to conduct price comparisons is a major reason why consumers prefer the internet. Price sensitive consumers are more concerned with buying products at the lowest price possible or getting the best value for money. According to Wolhandler (1999), internet provides a big convenience for shoppers. Due to this trait of internet, it allows customer to shop online anytime and anywhere, which means customer can browse and shop online 24 h a day, 7 days a week from home or office, which attracts some time-short shoppers to search products rather than go to a physical store. Additionally, internet offers some good ways to save money and time. For eg., shoppers do not need go out to the physical store and thus there is no transportation cost. Vesterby and Chabert (2001) stated that internet can make it easier for businesses to have information on their products and services available to their probable customers. A company can meet the individual needs of the customer by providing information at a lower cost per report to the dispatch of product catalog. They asserted that the businesses without material presence must market themselves significantly, both online and off line, for that the consumers to commit to memory their name.

Wolfinbarger and Gilly (2001) stated that online consumer might visit the sites to repeatedly make comparisons, but the offline shoppers would be less likely to do this very often. Therefore, the Internet shopping allows customers more freedom to incessantly visit and purchase products, even they leave without a purchase. Monsuwe *et al.* (2004) made a comparison of the traditional way of shopping and online shopping and their comparison has shown that shopping online is more convenient as compared to the traditional ones. This has principally concluded on the fact that the internet allows for more information to be collected in minimum quantity of the effort and the time invested by the consumer. Impulse buying increases when there are offering for sale or promotion of the product is being done. When announced, the persons respond to advertising by purchasing more and more products as well as when there is direct marketing of message (Nina koski, 2004). Changchit *et al.* (2005) conducted a study on online shopping and brought forward some interesting factors which affect online shoppers when they purchase from a website. They have discussed the success of the online business according to their ability to attract and retain customers. Enormous research has been done in foreign countries on the awareness and perception of people regarding online shopping but, only a few have been conducted on the awareness and perception of individuals towards online shopping in Punjab, India. Hence, this study was taken up on the residents of Ludhiana city in Punjab (India) with the following objectives:

1. To study the awareness of online shopping for the residents of Ludhiana city in Punjab (India).

2. To study the perception of the residents of Ludhiana city for the different dimensions of online shopping.
3. To compare the perceptions of the different dimensions of online shopping between the people below and above 30 years of age.

Materials and methods

Sample population: In the present case the target population consists of the people of Ludhiana city who have an access to the internet. The units as well as the elements (Kotler, 1997) in the study are the residents of Ludhiana city who have an access to internet. Quota sampling was used for the present study, whereby, 50 respondents from each of the above 30 years age category and 30 years and below age category were covered.

Experimental design: For this study both exploratory and conclusive research methods were used. The conclusive research method here is descriptive in nature and the research design is single cross-sectional. In this study primary data has been collected through survey method. The research was conducted with the help of a questionnaire measuring the awareness and perception of online shopping of the individuals.

Data collection: The respondents were personally administered the questionnaire and primary data was collected. The questionnaire consisted of two parts, namely, Part-A and Part-B. Part-A of the questionnaire consisted of solicited information about the profile of respondents like their age, educational background etc. Part-B consisted of 11 questions out of which 8 related to perception regarding online shopping and three to awareness about different aspects of online shopping and the respondent had to answer on a five point Likert scale (Malhotra and Dash, 2010) for the eight statements related to perception.

Statistical analysis: Analysis of data has been done by constructing suitable tables and by using other statistical techniques like mean, standard deviation, and F-test for variances. Percentage method was used to analyze Part-A of the questionnaire. Percentage of respondents was calculated for each category of respondent's profile. Part-B consisted of 11 questions. The answer sheet for this questionnaire was used for scoring. Each question for perception had five options and the respondent had to tick on one of them (Table 1).

Table 1. Scores for different answer choices.

Choice	Score
Strongly Disagree	1
Disagree	2
Neither Agree nor Disagree	3
Agree	4
Strongly Agree	5

Hypothesis of the study: The data was analyzed using the following null hypothesis (Bajpai, 2010):

Ho: There is no significant difference between the variances in the scores for the respondents below and above 30 years of age.

H₁: There is a significant difference between the variances in the scores for the respondents below and above 30 years of age.

Formula used:

$$F = \frac{s_1^2}{s_2^2}$$

Where s_1^2 = Variance of sample 1, s_2^2 = Variance of sample 2, n_1 = Size of sample 1, n_2 = Size of sample 2,

$df = \nu_1 = n_1 - 1$ = Degree of freedom for numerator,

$df = \nu_2 = n_2 - 1$ = Degree of freedom for denominator.

Limitations: To understand the research findings in the right perspective, it is necessary that limitations of the study be mentioned. The present study may have suffered from the following limitations.

1. Size of the sample selected for research may perhaps be considered as small, hence; the result of this study might not be fully reliable for generalization for the whole country.
2. Since the questionnaire is comparatively lengthy and the nurses normally busy, there are chances that information obtained in some cases might have deviated from actual.
3. The respondents were asked to give their practical views and not the ideology, but the personal biases of the respondents might have affected the results.

Results and discussion

The outcome of number of respondents has been categorized in categories such as age, gender, and educational qualifications and levels of occupation. Age is the first and a very important factor to analyze the awareness and perception of online shopping of the residents of Ludhiana city. Since internet is not very old, it is perceived that the people who are young are more in tune with its usage (Table 2).

Table 2. Frequency distribution of individuals in terms of age.

Age (Years)	No. of Respondents
30 and Below	50 (50)
Above 30	50 (50)
Total	100 (100)

Figures in brackets indicate the percentages.

It is sometimes a matter of discussion as to who out of the males and the females spends more time on internet buying. The respondents in the study comprised a little above 70% males and the rest being females.

Table 3. Frequency distribution of individuals in terms of gender.

Gender	No. of Respondents
Males	72 (72)
Females	28 (28)
Total	100 (100)

Educational background is a very important factor which affects the behaviour of an individual to a very large extent. It normally is a question in the minds of the researchers as to whether the qualification of an individual has anything to do with the usage of the internet for buying. Table 4 indicates a majority of respondents (nearly 75%) were found to be having an educational level of graduation.

Table 4. Frequency distribution of individuals in terms of educational qualification.

Educational Qualification	No. of Respondents
Undergraduate	13 (13)
Graduate	74 (74)
Postgraduate	13 (13)
Total	100 (100)

Maximum awareness is for Ebay followed by Homeshop18 (Table 5). Though there are a number of sites for online shopping, but the awareness for most of 6 them is not much.

Table 5. Awareness of online-shopping websites.

Website	No. of respondents
Homeshop18	31
Ebay	33
Futurebazaar	24
Amazon	19
Indiaplaza	11
Naaptol	14
Shopping@indiatimes	14
Any other	8
Total responses	154

No. of responses is more than 100 as multiple entries were allowed.

Table 6. Category of products available online.

Category	No. of respondents
Mobiles	40
Cameras	30
Home and Kitchen appliances	26
Jewellery	19
Cosmetics	23
Clothes	29
Toys	22
Two Wheelers	8
Cars	9
PC and Laptops	34
Books	18
Music	19
Travel and Living	19
Any Other	3
Total	299



Table 7. Mode of payment for online shopping.

Method of payment	No. of respondents
Credit card	37
Mobile Payment	13
Demand Draft	9
Cash on delivery	25
Cash before delivery	12
Net Banking	14
Cash card	10
EMI	7
Any other	2
Total	129

Table 6 shows that maximum awareness for product categories available online is for mobile phones followed by cameras and clothes. The other product categories have not been able to make such a mark in terms of awareness as of now. Awareness for credit card payment and cash on delivery is the most for the respondents (Table 7). The online shopping sites have been able to give so many options for payments for products bought but people are not much aware about them.

Two-Sample analysis results

Hypothesis

H₀: There is no significant difference between the variances in the scores for the respondents below and above 30 years of age.

H₁: There is a significant difference between the variances in the scores for the respondents below and above 30 years of age.

Online availability of vast majority of products: The mean scores are close to 3.5 but there is no significant difference in the perception of the two groups in terms of the thought that a vast majority of products are available online (Table 8).

Table 8. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.48	3.44
Variance	1.601632653	1.312653061
Observations	50	50
Df	49	49
F	1.220149254	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀. (Variable 1: Respondents of 30 years and below, Variable 2: Respondents above 30 years of age).

Adequate availability of information for products available online: Many respondents feel that the information about the products available online is adequate but still mean scores of close to 3.5 are not very high. There is again no significant difference between the two age categories for this dimension (Table 9).

Table 9. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.54	3.6
Variance	1.314693878	1.102040816
Observations	50	50
Df	49	49
F	1.192962963	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀.

Less prices of products available online as compared to those available offline: The respondents from both the groups are alike in their thoughts regarding the price of the products available online and think that the products available online are less costly as compared to those bought otherwise (Table 10).

Table 10. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.44	3.64
Variance	0.782040816	0.888163265
Observations	50	50
Df	49	49
F	0.880514706	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀.

Same quality for products available both online and offline: The perception that the product quality irrespective of whether it is bought online or not is again the same and the mean scores are a little above 3.5 for one of the groups (Table 11).

Table 11. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.68	3.5
Variance	1.201632653	1.234693878
Observations	50	50
Df	49	49
F	0.97322314	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀.

Table 12. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.34	3.4
Variance	1.494285714	1.265306122
Observations	50	50
Df	49	49
F	1.180967742	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀.

Easy comparison of products available online as compared to those available offline: Though the mean scores are a bit less, there is unison in the perception that better comparisons of the products can be made online (Table 12).

Security of online payments: With some apprehensions in the minds of respondents there is again a unity in terms of the security of payments made online by any of the methods (Table 13).

Table 13. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.28	3.48
Variance	1.511836735	1.275102041
Observations	50	50
Df	49	49
F	1.185659411	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀.

Ease of searching variety online as compared to searching offline: The two age categories again are unified without any significant difference for the dimension relating to the variety of products available online for comparisons as compared to offline buying (Table 14).

Table 14. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.24	3.52
Variance	1.655510204	1.560816327
Observations	50	50
Df	49	49
F	1.060669456	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀.

Ease in exchanging defective products bought online as compared to those bought offline: The mean scores for this dimension are on the lower side and the respondents remain more or less neutral for the dimension relating to the exchange of defective products bought online (Table 15).

Table 15. F-Test Two-Sample for variances.

	Variable 1	Variable 2
Mean	3.06	3.16
Variance	1.935102041	1.810612245
Observations	50	50
Df	49	49
F	1.068755636	
F Critical two-tail (Lower)	0.560844632	
F Critical two-tail (Upper)	1.783025	

Result: Since the calculated value is less than the critical value, so, do not reject H₀.

As is evident above there is no change in the perception with age. This is in sync with previous studies which showed that demographic variables have a modest impact on the decision to buy online; the most important factor for online shopping is previous behavior (Bellman *et al.*, 1999). Concern about security of payment for online purchases is also not a big issue as consumers with positive attitude seem less worried about security (Know and Lee, 2003). The mean scores for various dimensions are more than 3 for each of the dimensions of perception.

Conclusion

As it is evident from the findings, Ebay and Homeshop18 have been able to create the more awareness of themselves in the minds of the residents of Ludhiana city as compared to the other sites. People are more aware about the online availability of mobile phones, cameras and clothes. According to the awareness of the respondents, credit cards and cash on delivery are the chief modes of payment for online shopping. The results of the F-test show that there is no significant difference in the variances in scores for different dimensions of perception for both categories of 30 years and below, and above 30 years. Also the mean scores for different dimensions are above three out of five in all the cases. The mean scores for above 30 years category are marginally more in six out of eight dimensions of perception. To conclude, the mean scores for all the dimensions of perception regarding online shopping are less than four irrespective of the age so; it is required for the online shopping sites to change this perception more towards the positive side for the consumers. More awareness needs to be created for the different online shopping sites, the products available on them and the modes of payment available for online shopping as the awareness about all these issues is quite less.

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