Project Report on

Study of customer attitude and perception on shopping with Amazon India Ltd.

Submitted by:

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CERTIFICATE OF ORIGINALITY

This is to certify that the project report entitled "Study of customer attitude and perception about shopping with Amazon India Ltd." submitted to **Delhi Technological University** in fulfillment of the requirement for the award of the degree of Master of Business Administration is an original work carried out by me under the guidance of Dr. Rajan Yadav. The matter embodied in this project is a genuine work done by Kamal Maini to the best of my knowledge and belief and has been submitted neither to this University nor to any other University for the fulfillment of the requirement of the course of study.

Signature of the student guide

Signature of the

DECLARATION

I Kamal Maini student of EMBA 2015-2017 batch of Delhi School of

Management, Delhi Technological University, Bawana road, Delhi-

42 declare that the term project

Study of customer attitude and perception about shopping with

Amazon India Ltd submitted in fulfillment of Executive MBA

program is the original work conducted by me.

The information and data given in the report is authentic to the best of

my knowledge.

This Report is not being submitted to any other University for award

of any other Degree, Award and Fellowship.

Name	of	Stud	ent

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"The successful completion of any task would be incomplete without accomplishing the people who made it all possible and whose constant guidance and encouragement secured us the success."

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Kamal Maini

ABSTRACT / EXECUTIVE SUMMARY

The e-commerce sector has seen unprecedented growth in 2014. The growth was driven by rapid technology adoption led by the increasing use of devices such as smartphones and tablets, and access to the internet through broadband, 3G, etc. which led to an increased online consumer base. Consumers are increasingly adopting electronic channels for purchasing the products of their daily need. The development of information technology have enhanced customer awareness and created a situation where people prefer shopping online rather than physically visiting the retail stores since online shopping provides quality products as well as saves time

Methodology: The purpose of this study is to analyze factors affecting on online shopping behavior of consumers by designing a self closed ended questionnaire to collect the data. The dimensions included in the study are web site design, reliability, responsiveness, trust and personalization. A research model is developed for understanding the perceptions of rational customers regarding online shopping. The model proposed that e-service quality dimensions are casually linked to the two performance measures of overall service quality and customer satisfaction, and in turn influence customer purchase intentions. We specifically focused on the site Amazon India ltd and studied customer perception and attitude towards shopping with them.

Findings: The analytical results showed that the dimensions of web site design, reliability, responsiveness, and trust affect overall service quality and customer satisfaction. Moreover, the latter in turn are significantly related to customer purchase intentions. However, the personalization dimension is not significantly related to overall service quality and customer satisfaction.

Originality: The present development would be a valuable addition to researchers and academicians; and useful theory for practitioners, advertisers, and entrepreneurs

Keywords: Purchase Intention, service quality, Customer satisfaction, Purchasing, Amazon India Ltd

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1. INTRODUCTION

1.1 Industry Profile

With \$681 billion in online retail sales in 2016, China is the largest market for e-commerce globally, followed by the US, and the fastest growing one is India.

The Indian e-commerce market is set to overtake the US and become the second largest in the world in less than two decades, going head-to-head with China for the numero uno position, according to a report by global payments firm Worldpay. The report said the e-commerce market is expected to grow exponentially with emerging markets leading the charge –particularly India, where the segment is predicted to mature by 28 per cent per year from 2016 to 2020.

And it is only getting bigger. According to a new study by Forrester Research, approximately a fifth of total retail sales will take place online by 2021 in Asia Pacific, with 78 percent of that coming from mobile, up from 63 percent in 2016. The study adds that online retail via mobile will grow at a CAGR of 15.6 percent, to reach \$1 trillion in 2020, up from \$539 billion in 2016.



Figure 1.1 Online Retail Forecast 2016-2021

The fast development of telecommunications technology in the past few decades has changed many aspects of consumers' lives, including their purchasing process. Consumers are often turning to e-commerce or electronic commerce, namely the buying and selling of products and services exclusively through electronic channels. The most well-known form of e-commerce is online shopping, also known as business to consumer e-commerce (B2C), where private customers can order various products which they then receive by courier or postal mail. Another category of e-commerce focuses on transactions between companies, called business to business e-commerce (B2B). The third category of e-commerce involves transactions from consumer to consumer (C2C), as in the example of eBay or other similar websites.

World over, apparel is the largest category for online retail, followed by consumer electronics and computer hardware. However, grocery, beauty and cosmetics, home appliances and furniture are the fastest-growing categories, showing the increasing maturity of online shopping in Asia Pacific.

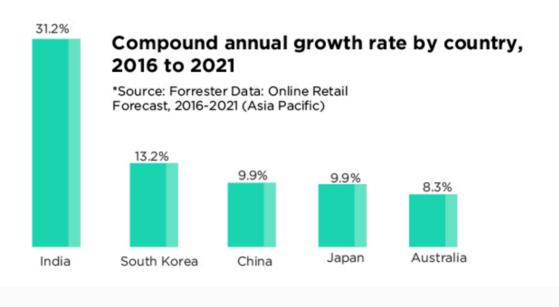


Figure 1.2 Compound Annual growth rate by country

In the business to consumer (B2C) e-commerce cycle activity, consumers use Internet for many reasons and purposes such as: Searching for product features, prices or reviews, selecting products and services through Internet, placing the order, making payments, or any other means which is then followed by delivery of the required products through Internet.

For an e-commerce site to gain accolade in today's time, below are a few areas to consider.

- What's your Unique Selling Point? Do you have a strapline and how does your business use this to differentiate itself within the market? How is the company defined online and how are you perceived by customers (existing, past) and suppliers
- **Know your audience** Who is your target audience? Create a profile of who your target customer is and how they currently interact with your brand online. Web analytics and historic sales data should be a useful source of information to understand who your customers are, geography, products sold, repeat visit rate and purchase patterns
- **Know your competitors** Do you have a defined list of competitors within your market? Are you analysing their performance and tracking their activity? It's essential you are building up a profile of who they are, how they interact with the market and their own USP's or differentiators e.g. do they opt for price-driven strategies, PR-driven activity etc.

1.2 Organisation Profile

Amazon, is an American electronic commerce and cloud computing company that was founded on July 5, 1994, by Jeff Bezos and is based in Seattle, Washington. It is the largest Internet-based retailer in the world by total sales and market capitalization. Amazon.com started as an online bookstore, later diversifying to sell DVDs, Blurays, CDs, video downloads/streaming, MP3 downloads/streaming, audiobook downloads/streaming, software, video games, electronics, apparel, furniture, food, toys, and

jewelry. The company also produces consumer electronics—notably, Kindle ereaders, Fire tablets, Fire TV, and Echo—and is the world's largest provider of cloud infrastructure services (IaaS and PaaS). Amazon also sells certain low-end products like USB cables under its in-house brand AmazonBasics.

Amazon has separate retail websites for the United States, the United Kingdom and Ireland, France, Canada, Germany, Italy, Spain, Netherlands, Australia, Brazil, Japan, China, India, and Mexico. Amazon also offers international shipping to certain other countries for some of its products. In 2016, Dutch, Polish, and Turkish language versions of the German Amazon website were launched.

In 2015, Amazon surpassed Walmart as the most valuable retailer in the United States by market capitalization, and was in the third quarter of 2016 the fourth most valuable public company.

Since June 19, 2000, Amazon's logotype has featured a curved arrow leading from A to Z, representing that the company carries every product from A to Z, with the arrow shaped like a smile.

Amazon is one of the world's biggest online retailers, selling a vast array of goods such as books, music, games, clothes and movies. As of 2013, Amazon employs 117, 300 members of staff, and has a global net revenue of 74.45 billion US dollars. Since its conception in 1995, Amazon has outgrown several competitors in its field, and has gone on to become a market leader, and has around 240 million customer accounts worldwide. Amazon has used careful investment and acquisition of other smaller companies to enable itself to stay ahead in its field, and continues to expand its product range, whilst offering competitive prices to customers, and faster deliveries to those who choose to sign up for its various account packages.

In July 2013, Amazon launched its services in India, choosing not to employ an advertising campaign. The site is ranked as the 27th most popular in India, with around 4.2% of all Amazon customers coming from this country. The company is doing well here, and this Indian venture is part of a bigger effort to offer its services to a wider range of people in Asia.

Having launched its site in June 2013, Amazon India (Amazon Seller Services Pvt. Ltd) made rapid advances last year, racing ahead of Snapdeal and even beating Flipkart (minus Myntra and Jabong) in at least two months in terms of gross sales. Amazon's expansion was fueled by an unprecedented spending spree—it has already pumped in more than \$2 billion and has promised to invest \$3 billion more.

On October 11, 2016, Amazon announced plans to build convenience stores and develop curbside pickup locations for food. In December 2016, the Amazon Go store was opened to Amazon employees in Seattle. The store uses a variety of sensors and automatically charges a shopper's Amazon account as they walk out of the store, therefore there are no checkout lines. The store is planned to open for the general public in early 2017.

In 2017, Amazon built a new downtown Seattle campus. A local charity, Mary's Place, occupied the space and was going to have to move headquarters. Instead, Amazon offered to share its building with the charity and provide shelter for homeless men, women and children.

In 2011, Amazon had 30,000 full-time employees in the USA and by the end of 2016, it had 180,000 employees. The company employs 306,800 people worldwide in full and part-time jobs.

Subsidiaries

Amazon Maritime, Inc.

Amazon Maritime, Inc. holds a Federal Maritime Commission license to operate as a non-vessel-owning common carrier (NVOCC), which enables the company to manage its own shipments from China into the United States.

Audible.com

Audible.com is a seller and producer of spoken audio entertainment, information and educational programming on the Internet. Audible sells digital audiobooks, radio and TV programs and audio versions of magazines and newspapers. Through its production arm, Audible Studios, Audible has also become the world's largest

producer of downloadable audiobooks. On January 31, 2008, Amazon announced it would buy Audible for about \$300 million. The deal closed in March 2008 and Audible became a subsidiary of Amazon.

Brilliance Audio

Brilliance Audio is an audiobook publisher founded in 1984 by Michael Snodgrass in Grand Haven, Michigan. The company produced its first 8 audio titles in 1985. The company was purchased by Amazon in 2007 for an undisclosed amount. At the time of the acquisition, Brilliance was producing 12–15 new titles a month. It operates as an independent company within Amazon.

In 1984, Brilliance Audio invented a technique for recording twice as much on the same cassetteThe technique involved recording on each of the two channels of each stereo track. It has been credited with revolutionizing the burgeoning audiobook market in the mid-1980s since it made unabridged books affordable.

ComiXology

ComiXology is a cloud-based digital comics platform with over 200 million comic downloads as of September 2013. It offers a selection of more than 40,000 comic books and graphic novels across Android, iOS, Fire OS and Windows 8 devices and over a web browser. Amazon bought the company in April 2014.

Goodreads

Goodreads is a "social cataloging" website founded in December 2006 and launched in January 2007 by Otis Chandler, a software engineer and entrepreneur, and Elizabeth Chandler. The website allows individuals to freely search Goodreads' extensive user-populated database of books, annotations, and reviews. Users can sign

up and register books to generate library catalogs and reading lists. They can also create their own groups of book suggestions and discussions. In December 2007, the site had over 650,000 members and over 10 million books had been added. Amazon bought the company in March 2013.

Shelfari

Shelfari is a social cataloging website for books. Shelfari users build virtual bookshelves of the titles which they own or have read and they can rate, review, tag and discuss their books. Users can also create groups that other members may join, create discussions and talk about books, or other topics. Recommendations can be sent to friends on the site for what books to read. Amazon bought the company in August 2008. Shelfari continued to function as an independent book social network within the Amazon until January 2016, when Amazon announced that it would be merging Shelfari with Goodreads and closing down Shelfari.

Beijing Century Joyo Courier Services



Amazon 40' container turnpike double, a Long Combination Vehicle

Beijing Century Joyo Courier Services is a subsidiary of Amazon and it applied for a Freight forwarding license with the US Maritime Commission. Amazon is also building out its logistics in trucking and air freight to potentially compete with UPS and FedEx

Website

The domain amazon.com attracted at least 615 million visitors annually by 2008. Amazon attracts over 130 million customers to its US website per month by the start of 2016. The company has also invested heavily on a massive amount of server capacity for its website, especially to handle the excessive traffic during the December Christmas holiday season.

Results generated by Amazon's search engine are partly determined by promotional fees

Amazon allows users to submit reviews to the web page of each product. Reviewers must rate the product on a rating scale from one to five stars. Amazon provides a badging option for reviewers which indicate the real name of the reviewer (based on confirmation of a credit card account) or which indicate that the reviewer is one of the top reviewers by popularity. Customers may comment or vote on the reviews, indicating whether they found a review helpful to them. If a review is given enough "helpful" hits, it appears on the front page of the product. In 2010, Amazon was reported as being the largest single source of Internet consumer reviews

Third-party sellers

Amazon derives many of its sales from third-party sellers who sell products on Amazon (around 40% in 2008). Associates receive a commission for referring customers to Amazon by placing links to Amazon on their websites if the referral results in a sale. Worldwide, Amazon has "over 900,000 members" in its affiliate programs. In the middle of 2014, the Amazon Affiliate Program is used by 1.2% of all websites and it is the second most popular advertising network after Google Ads. It is frequently used by websites and non-profits to provide a way for supporters to earn them a commission. Amazon reported over 1.3 million sellers sold products through Amazon's websites in 2007. Unlike eBay, Amazon sellers do not have to maintain separate payment accounts; all payments are handled by Amazon.

Associates can access the Amazon catalog directly on their websites by using the Amazon Web Services (AWS) XML service. A new affiliate product, aStore, allows

Associates to embed a subset of Amazon products within another website, or linked to another website. In June 2010, Amazon Seller Product Suggestions was launched (rumored to be internally called "Project Genesis") to provide more transparency to sellers by recommending specific products to third-party sellers to sell on Amazon. Products suggested are based on customers' browsing history.

Amazon's Technology

Amazon runs data centers for its online services and owns generators or purchases electricity corresponding to its consumption, mostly renewable energy. The US Navy has stated that its Relocatable Radar remains operable regardless of an Amazon wind farm. The company also records data on customer buyer behavior which enables them to offer or recommend to an individual specific item or bundles of items based upon preferences demonstrated through purchases or items visited.

On January 31, 2013 Amazon experienced an outage that lasted approximately 49 minutes, leaving its site inaccessible to some customers.

On May 5, 2014 Amazon unveiled a partnership with Twitter. Twitter users can link their accounts to an Amazon account and automatically add items to their shopping carts by responding to any tweet with an Amazon product link bearing the hashtag #AmazonCart. This allows customers to never leave their Twitter feed and the product is waiting for them when they go to the Amazon website.

Multilevel Sales Strategy

Amazon employs a multi-level e-commerce strategy. Amazon started by focusing on business-to-consumer relationships between itself and its customers and business-to-business relationships between itself and its suppliers and then moved to facilitate customer-to-customer with the Amazon marketplace which acts as an intermediary to facilitate transactions. The company lets anyone sell nearly anything using its platform. In addition to an affiliate program that lets anyone post Amazon links and earn a commission on click-through sales, there is now a program which lets those affiliates build entire websites based on Amazon's platform.

Some other large e-commerce sellers use Amazon to sell their products in addition to selling them through their own websites. The sales are processed through Amazon.com and end up at individual sellers for processing and order fulfillment and Amazon leases space for these retailers. Small sellers of used and new goods go to Amazon Marketplace to offer goods at a fixed price. Amazon also employs the use of drop shippers or meta sellers. These are members or entities that advertise goods on Amazon who order these goods direct from other competing websites but usually from other Amazon members. These meta sellers may have millions of products listed, have large transaction numbers and are grouped alongside other less prolific members giving them credibility as just someone who has been in business for a long time. Markup is anywhere from 50% to 100% and sometimes more, these sellers maintain that items are in stock when the opposite is true. As Amazon increases their dominance in the marketplace these drop shippers have become more and more commonplace in recent years.

In November 2015, Amazon opened its first physical bookstore location. It is named Amazon Books and is located in University Village in Seattle. The store is 5,500 square feet and prices for all products match those on its website. Amazon will open its tenth physical book store in 2017 media speculation suggests Amazon plans to eventually roll out 300 to 400 bookstores around the country.

Mission – "To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavours to offer its customers the lowest possible prices,"

Vision - "To leverage technology and the expertise of our invaluable employees to provide our customers with the best shopping experience on the internet"

Tagline – "#Aur Dikhao" in India. "From A to Z" globally.

Competitive advantage in the Marketing strategy of Amazon – In order to differentiate itself, company acquired many IT & e-commerce start-ups like pets.com, audible.com, Junglee.com, IMBD.com, Zappos.com, Woot etc. which helped them in providing

high value to their customers using existing technology of the acquired partners at low cost. Amazon has also achieved economies of scale through extensive product offerings which include electronics, toys and games, apparels, DIY and many more.

These offerings help Amazon to keep its prices low thereon passing on the benefits to the consumers. Amazon's robust customer centric approach to analyze the customer buying behavior based upon preferences has helped them to have competitive edge over their competitors. More than 50% of the consumers are the repeat buyers at Amazon.com. Further more, Amazon is one of the longest players to be present in the online sector and has a solid hold in European countries and US. This bottom line is helping the company to expand in new markets.

The numbers are revealing. In calendar year 2015, Amazon, which operates in 11 countries, generated net revenue of roughly \$100 billion from online retail. Its second-biggest market that year was Germany, which contributed \$11.8 billion in revenue. In India, in the two months that Amazon was ahead of Flipkart in 2016, its monthly gross sales (before product returns and cancellations) were between Rs2,000 crore and Rs2,400 crore. On an annualized basis, this amounts to roughly \$4 billion in gross sales, at current exchange rates.

Amazon India's business doubled last year and the 2016 festive season produced "triple digit growth over" the year-ago period,

Online Marketing strategy of Amazon (Promotion in the Marketing Mix for Amazon)

Amazon realizes that the most important thing that customers want is the quick delivery of products they order. This is where Amazon's extensive distribution system has come into play. Amazon now has more than 55 fulfillment centres exceeding 43 million square feet. This does not include Amazon's new "under-the-tent" strategy of using existing vendor warehouse space for consumer-packaged goods to more quickly serve customers. Their aggressive strategy of infiltrating warehouses and improving their distribution lines brings Amazon to new areas and customers.

Amazon had created a deep & structured network in order to make the product available at remote locations that too free of cost delivery charges up to certain limit. Amazon has developed an extensive global distribution network that continues to grow at frenzied rate.

From being merely an e-book provider to emerging as the 2nd largest e-commerce company in the world, Amazon.com has steadily increased its spending on advertising and promotion to make its brand stronger and have a higher brand equity. By April 2015, the brand of Amazon.com was worth US\$ 176 billion. "A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things. With more than 55% repeat buyers, the numbers tell everything about the brand. It is among 13 worlds' most valuable brand" (Forbes list).

While Amazon has broadcast television commercials, these are mostly in the American market. Amazon uses mainly web based advertising, and they make some use of billboard and smaller methods of advertising.

Amazon also uses advertising networks online so that whenever you check something on amazon, you will see an ad for the same thing somewhere else on some other website.

Search engine marketing and getting the company's name high up the search engine's results is also a smart promotional strategy by Amazon. The founder of Amazon had this in mind when creating the company, deciding that it should start with an 'a'.

1.3 Objective of study

This study attempts to develop a research to study the effects of several major factors which are identified by prior studies on online shopping behavior.

- 1) How do perceived Risks (Financial risks, product risk, convenience risk and nondelivery risk) impact attitude toward online shopping?
- 2) How do infrastructural variables and easy and convenient return policy impact attitude toward online shopping?

3) How does the attitude impact online consumer behavior?

The finding of this research offer a more comprehensive understanding of online consumer behavior by identifying the compound effects of various external behavioral beliefs, attitude, intentions and perceived risks, social influence, etc. Specifically, the findings provide in-depth insight into what factors drive online consumers most, how they work and what are their implications for consumers and e-commerce vendors. The findings also further confirm some previous research results and help clarify and explain the inconsistent conclusions from prior studies in the area. In general, this study enriches our knowledge of online shopping behavior from the behavioral perspective.

To meet the objectives of the research, first, we begin with a review of the literature on online shopping and factors affecting consumers' shopping behavior. This is followed by an outline of the methodological approach and the results of the study are reported. Finally, the conclusion and managerial implications are discussed.

2. LITRATURE REVIEW

Online Shopping and Online Stores

Compared to physical stores, online stores have many advantages: They are convenient and time saving and no more traveling and waiting in lines is needed. They are open in all time and they are accessible anytime and anywhere. These stores provide consumers with free and rich information about products and services. They also have some online tools to help consumers compare and make purchase decisions among various products and services. Hoffman and Novak (1996) indicated that interactivity is the key distinguishing feature between marketing communication on the Internet and traditional mass media. Today online consumers have more control and bargaining power than consumers of physical stores because the Internet offers more interactivities between consumers and product/service providers as well as greater availability of information about products and services. Geissler and Zinkhan (1998) claimed that the Internet shifted the balance of power in favor of consumers as it became very easy for them to make shopping comparisons and evaluate alternatives without being pressured by salespeople. Online stores reduce transaction costs and have advantage for both consumers and vendors.

However, online stores also have disadvantages compare to brick-and-mortar stores. In online stores customers can't have any sense about the product they see in the internet (seeing, touching, tasting, smelling, and hearing) as they search for and purchase products. In online stores, consumers may develop low trust and perceive elevated risk highly because of the lack of face-to-face communication. Although this difficulty can be reduced by using certain software tools such as the online recommendation agent (Häubl and Murray, 2003; Xiao and Benbasat, 2007) and the online negotiation agent (Huang and Sycara, 2002; Huang and Lin, 2007).

Perceived Risks

Perceived risk refers to the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision (Cox and Rich, 1964). Before purchasing

a product, a consumer considers the various risks associated with the purchase. The different types of risks are referred to as perceived or anticipated risks. Research suggests that consumers generally prefer to use electronic commerce for purchasing products that do not require physical inspection (Peterson et al., 1997). The higher the perceived experience risk, the consumer may shift to brick-and-mortar retailer for the purchase of the product. Whereas, the lower the perceived risk, the higher the propensity for online shopping (Tan, 1999). Risks perceived or real, exist due to technology failure (e.g., breaches in the system) or human error (e.g., data entry mistakes). The most frequently cited risks associated with online shopping include financial risk (e.g., is my credit card information safe?), product risk (e.g., is the product the same quality as viewed on the screen?), convenience (e.g., Will I understand how to order and return the merchandise?), and non-delivery risk (e.g., What if the product is not delivered?) The level of uncertainty surrounding the online purchasing process influences consumers' perceptions regarding the perceived risks (Bhatnagar et al., 2000).

Attitude

Since the mid-1970s, the study of consumer's attitudes has been associated with consumer purchasing behavior research. According to the model of attitude change and behavior (e.g., Fishbein and Ajzen, 1975), consumer attitudes are affected by intention. When this intention is applied to online shopping behavior, the research can examine the outcome of the purchase transaction. Attitude is a multi-dimensional construct. One such dimension is the acceptance of the Internet as a shopping channel (Jahng, Jain, and Ramamurthy, 2001). Previous research has revealed attitude towards online shopping is a significant predictor of making online purchases (Yang et al., 2007) and purchasing behavior (George, 2004; Yang et al., 2007).

Perceived Behavioral Control

Ajzen and Madden (1986) extended the TRA into the Theory of Planned Behavior (TPB) by adding a new construct "perceived behavioral control" as a determinant of both intention and behavior. Perceived behavioral control refers to consumers'

perceptions of their ability to perform a given behavior. TPB allows the prediction of behaviors over which people do not have complete volitional control. Perceived behavioral control reflects perceptions of internal constraints (self-efficacy) as well as external constraints on behavior, like availability of resources. It has been found that the Planned Behavioral Control (PBC) directly affects online shopping behavior (George, 2004) and has a strong relationship with actual Internet purchasing (Khalifa and Limayem, 2003).

Top motivators for shopping online

Times of India (February 12, 2013) has published that top motivators for shopping online which include cash back guarantee, cash on delivery, fast delivery, substantial discounts compared to retail, and access to branded products, while barriers include inability to touch and try products before purchase, fear of faulty products, apprehension of posting personal and financial details online and inability to bargain



Figure 2.1 Top Motivators for shopping Online

Barnes and Guo (2011) in a study "Purchase behavior in virtual worlds: An empirical investigation in Second Life" developed and tested a conceptual model of purchase behavior in virtual worlds using a combination of existing and new constructs. They examined a kind of shopping behavior that consumers spend noticeable amount of money for shopping from internet. Factors of their model were external motivators like perceived value, instinct motivators like perceived happiness, social factors and consumers' habits. The result of study indicated that one's habits, external and instinct motivators have great effect on shaping online shopping behavior of them.

Herna ndez et al. (2011) in a study "Age, gender and income: do they really moderate online shopping behavior?" Analyzed whether individuals' socioeconomic characteristics – age, gender and income – influence their online shopping behavior. The individuals analyzed are experienced e-shoppers i.e. individuals who often make purchases on the internet. The results of their research show that socioeconomic variables moderate neither the influence of previous use of the internet nor the perceptions of e-commerce; in short, they do not condition the behavior of the experienced e-shopper.

Chen (2009) in his dissertation entitled "Online consumer behavior: an empirical study based on theory of planned behavior " extends theory of planned behavior (TPB) by including ten important antecedents as external beliefs to online consumer behavior. The results of data analysis confirm perceived ease of use (PEOU) and trust are essential antecedents in determining online consumer behavior through behavioral attitude and perceived behavioral control. The findings also indicate that cost reduction helps the consumer create positive attitude toward purchase. Further, the findings show the effects of two constructs of flow –concentration and telepresence, on consumers' attitude. Concentration is positively related to attitude toward purchase, but telepresence likely decreases attitude due to the consumers' possible nervousness or concern about uncertainty in the online environment.

Demangeot and Broderick (2007) in a research entitled "Conceptualizing consumer behavior in online shopping environments", seek to adopt a holistic approach to consider how consumers perceive online shopping environments. The conceptual model proposes that consumers perceive these environments in terms of their sensemaking and exploratory potential, and it considers the influence of these on user involvement with the web site, shopping value and intention to revisit Findings indicate that sense-making and exploratory potential are distinct constructs; exploratory potential mediates the relationship between sense-making potential and involvement. Furthermore, involvement is essential in producing shopping value and intention to revisit.

Ying (2006) in his study "Essay on modeling consumer behavior in online shopping environments" examined online purchase behavior across multiple shopping sessions. Shopping cart abandonment is the bane of many e-commerce websites. He investigated abandoned shopping carts in an online grocery shopping setting. Specifically, he developed a joint model for the cart, order, and purchase quantity decisions. The interdependence between the three decisions is captured by the correlations between the error terms. Empirical analysis shows that not all abandoned shopping carts result in lost sales. Customers routinely pick up abandoned carts and complete the final orders. Among the factors that propel customers to continue with aborted shopping are the time of shopping, time elapsed since the previous visit, the number of items left in the abandoned cart, and promotion intensity. The study offers marketers important managerial implications on how to mitigate the shopping cart abandonment problem.

3. Research Methodology

The purpose of this study is analyzing factors affecting online shopping behavior of consumers on Amazon India Ltd. This study adapted the measures used to operationalize the constructs included in the investigated model from relevant previous studies, making minor wording changes to tailor these measures to the online shopping context. Items for measuring web site design, reliability, responsiveness, and personalization employed several dimensions of the SERVQUAL model (Parasuraman et al., 1988; Kim and Lee, 2002; Yang and Jun, 2002), items for trust were revised from Kimery and McCard (2002).

Independent variables in this study are as follows:

Construct	Definition	References
Web site design	Customer perception of degree of user friendliness in using an online store	Parasuraman et al. (1988) and Kim and Lee (2002)
Reliability	Customer perception of the reliability and security of the service provided by an online store	Parasuraman et al. (1988) and Kim and Lee (2002)
Responsiveness	Customer perception of the responsiveness and helpfulness of the service provided by an online store	Parasuraman et al. (1988) and Kim and Lee (2002)
Trust	Customer perception of the level of trust mechanisms provided by an online store	Kimery and McCard (2002)
Personalization	Customer perception of the degree to which an online store provides differentiated services to satisfy specific individual needs	Parasuraman et al. (1988) and Yang and Jun (2002)

Table 3.1: Independent Variables

Dependent variables are:

Construct	Definition	References
Purchase intentions	Customer likelihood of buying from a particular online store	Jeong et al. (2003)

Table 3.2: Dependent Variables

For testing the hypotheses of the study, regression analysis was used. This method requires some prerequisites that are:

- 1). There should not be any correlation between errors, errors should be independent.
- 2). Errors should have normal distribution.

To test the main hypothesis of this research, we conducted a questionnaire. This questionnaire that adopted and combined from many similar researches, used to collect required data in order to support or reject hypothesis. The questionnaires dispersed among 50 respondents of different age, profession and gender. This questionnaire assessed all variables of via 21 questions.

The first part of the questionnaire included questions about their demographic profile like age, education and income followed by Internet usage habits of the respondents such as where do they access the Internet, how frequent they browse Internet, how much time they spent, purposes for Internet use and how frequent the respondents buy products through online. The second part consisted of questions measuring all the variables which are used to measure the online shopping.

Hypothesis

On the basis of review of literature the following hypotheses has been set:-

- H1 Perception of online shoppers is independent of his Age and Gender.
- H2 Perception of online shoppers is independent of his Educational Qualifications & Gender.
- H3 There is a positive influence of overall website design on Purchase Intention
- H4 Reliability in an online store positively influences overall service quality.
- H5 There is a positive influence of Responsiveness design on Purchase Intention
- H6 Trust in an online store positively influences Purchase Intention
- H7 Personalization in an online store positively influences Purchase Intention

4. Data analysis and Recommendations

We were able to get a survey done for 88 people, of different demographics namely gender, age, education and professions.

To get to the results of the survey we have applied multiple regression on the customer responses to see what impact do the independent variables have on the dependent variable i.e. Purchase intention of the customer.

Below are the result matrices obtained from the survey based on which the decision on the hypothesis have been made.

Demographic Results

Education	
%of Post Graduate	47.72727273
%of Graduate	46.59090909
%Of High School	5.681818182
Gender	
% of Males	43.18181818
% of Females	56.81818182
Age	
20-40 years	86.36363636
40-50 Years	7.954545455
Less than 20 years	4.545454545
Occupation	
Working Professional	78.40909091
Business	6.818181818
Housewife	4.545454545
Student	10.22727273
Monthly family Income	
20,001-40,000	7.954545455
Above 40,000	90.90909091
Prefering online shopping over going to a retail store	
No	10.22727273
Yes	89.77272727
Number of times you shop online	

Once a month	23.86363636
Once a week	69.31818182
Once a Day	5.681818182
Once in 6 months	1.136363636

Table 4.1: Demographic Results

Multiple Regression Analysis

Descriptive Statistics							
	Mean	Std. Deviation	N				
Purchase_Intension	4.4886	0.66080	88				
Website_Design	2.2477	0.71951	88				
Reliability	4.2727	0.51478	88				
Responsiveness	3.2557	0.56219	88				
Trust	4.2886	0.52619	88				
Personalisation	2.9852	0.50390	88				

Table 4.2: Descriptive Statistics

	Coefficients ^a							
		Unstandardize	ed Coefficients	Standardized Coefficients				
Мо	odel	В	Std. Error	Beta	t	Sig.		
1	(Constant)	1.240	0.695		1.785	0.078		
	Website_Design	-0.188	0.107	-0.205	-1.755	0.083		
	Reliability	0.366	0.143	0.285	2.552	0.013		
	Responsiveness	0.239	0.126	0.203	1.899	0.061		
	Trust	0.317	0.146	0.253	2.170	0.033		
	Personalisation	-0.010	0.158	-0.008	-0.062	0.950		

Table 4.3: Coefficients

		Cor	relations				
		Purchase_Inte nsion	Website_De sign	Reliabil ity	Responsive ness	Trus t	Personalisa tion
	Purchase_Inte nsion	1	-0.132	0.476	0.257	0.47 2	-0.099
	Website_Desig	-0.132	1	-0.05	0.367	0.07	0.621
	Reliability	0.476	-0.05	1	0.162	0.57 8	-0.134
	Responsivenes s	0.257	0.367	0.162	1	0.34	0.392
	Trust	0.472	0.07	0.578	0.34	1	-0.022
Pearson Correlation	Personalisatio n	-0.099	0.621	-0.134	0.392	0.02 2	1
	Purchase_Intension		0.11	0	0.008	0	0.18
	Website_Desig	0.11		0.32	0	0.25 8	0
	Reliability	0	0.32		0.066	0	0.107
	Responsivenes s	0.008	0	0.066		0.00	0
	Trust	0	0.258	0	0.001		0.42
Sig. (1-tailed)	Personalisatio n	0.18	0	0.107	0	0.42	
	Purchase_Inte nsion	88	88	88	88	88	88
	Website_Desig	88	88	88	88	88	88
	Reliability	88	88	88	88	88	88
	Responsivenes s	88	88	88	88	88	88
	Trust	88	88	88	88	88	88
N	Personalisatio n	88	88	88	88	88	88

Table 4.4: Corellations

Model Summary										
				Change Statistics						
		R				F			Sig. F	
Mod		Squar	Adjusted R	Std. Error of the	R Square	Chang			Cha	Durbin-
el	R	e	Square	Estimate	Change	e	df1	df2	nge	Watson
1	.57 9a	0.335	0.294	0.55512	0.335	8.255	5	82	0	1.87
a. Pre	a. Predictors: (Constant), Personalisation, Trust, Responsiveness, Reliability, Website_Design									
b. De	pend	dent Var	riable: Purchas	e Intension						

Table 4.5: Model Summary

ANOVAa									
Model		Sum of Squares	df	Mean Square	F	Sig.			
	Regression	12.719	5	2.54	4 8.255	.000b			
	Residual	25.269	82	0.30	8				
1	Total	37.989	87						
a. Dependent Variable: Purchase_Intension									
b.	Predictors: (Consta	ant). Personalisation. Trus	t. Res	ponsiveness. Reliab	litv. Websit	e Design			

Table 4.6: Anova

Residuals Statisticsa							
	Minimum	Maximum	Mean	Std. Deviation	N		
Predicted Value	2.2077	4.9101	4.4886	0.38236	88		
Residual	-1.20771	1.06361	0	0.53894	88		
Std. Predicted Value	-5.965	1.102	0	1	88		
Std. Residual	-2.176	1.916	0	0.971	88		
a. Dependent Variable: Purchase_Intension							

Table 4.7: Residual Statistics

Hypothesis Results

On the basis of multiple regression technique applied on the survey responses, the following results to the hypothesis stand true:-

- H1 Perception of online shoppers is independent of his Age and Gender.
- H10 Perception of online shoppers is dependent on his Age and Gender
- H1a Perception of online shoppers is independent of his Age and Gender

Here the null hypothesis stands false based on table 4.1

H2 - Perception of online shoppers is independent of his Educational Qualifications & Gender.

H20-Perception of online shoppers is dependent on his Educational Qualifications & Gender

H21-Perception of online shoppers is independent of his Educational Qualifications & Gender

Here the null hypothesis stands false based on table 4.1

- H3 There is a positive influence of overall website design on Purchase Intention
- H30- There is little or no influence of overall website design on Purchase Intention

H3a - There is a little or no influence of overall website design on Purchase Intention

Here the null hypothesis stands true based on table 4.3 Coefficients, looking at the t-value which is much less than the constant value and the significance value which is higher than 0.05

H4 - Reliability in an online store positively influences overall service quality.

H40- Reliability in an online store has little or no influence on overall service quality.

H4a- Reliability in an online store positively influences overall service quality.

Here the null hypothesis stands false based on table 4.3 Coefficients, looking at the t-value which is higher than the constant value and the significance value which is lower than 0.05

H5 - There is a positive influence of Responsiveness design on Purchase Intention

H50 - There is a little or no influence of Responsiveness design on Purchase Intention

H5a - There is a positive influence of Responsiveness design on Purchase Intention

Here the null hypothesis stands true based on table 4.3 Coefficients, looking at the t-value which is much less than the constant value and the significance value which is higher than 0.05

H6 - Trust in an online store positively influences Purchase Intention

H60 - Trust in an online store has little or no influence on Purchase Intention

H6a - Trust in an online store positively influences Purchase Intention

Here the null hypothesis stands false based on table 4.3 Coefficients, looking at the t-value which is higher than the constant value and the significance value which is lower than 0.05

H7 - Personalization in an online store positively influences Purchase Intention

H70 - Personalization in an online store has little or no influence on Purchase Intention

H7a - Personalization in an online store positively influences Purchase Intention

Here the null hypothesis stands true based on table 4.3 Coefficients, looking at the t-value which is much less than the constant value and the significance value which is higher than 0.05

5. Conclusion

The result of our study shows that the perception of online shoppers is independent of their age and gender but not independent of their qualification & gender and and income & gender The analytical results of our study further indicate relationships between consumers' perceptions of the factors that influence their intention to buy through online. More specifically, consumers' perceptions of the customer service, commitment and web security of online purchasing exhibit significant relationships with their online buying intention. The analytical results are generally consistent with previous findings of researchers. Web security has received the most consistent support as factors that influence online buying

The dimensions for measuring customer attitude and perception include web site design, reliability, responsiveness, trust and personalization. Moreover, this study developed a research model to examine how these dimensions affect overall service quality, customer satisfaction, and purchase intentions. The analytical results of this study are discussed below.

First, the analytical results showed that <u>trust most strongly affected overall service</u> <u>quality and customer satisfaction</u> for online stores. Online stores thus must act honestly and in the best interests of customers during the transaction processes.

Second, the <u>reliability dimension is a significant predictor customer satisfaction and purchase intentions in online shopping</u>. Other studies also found reliability to be an effective determinant of customer positive intention to purchase.(Kuo, 2003; Wolfinbarger and Gilly, 2003).

Therefore, to enhance customer satisfaction and purchase intentions, online stores should start improving the dimensions of reliability, such as

- Capability of delivering products as promised
- Providing up-to-date and accurate information
- Strengthening the security of online transactions.

Third, the dimension of <u>responsiveness mildly affects</u> overall service quality and customer satisfaction for online stores and hence the buying decision of the customer. This finding might be cause by the fact that customers expect high responsiveness from the prompt delivery of products, but might tolerate slower financial transactions if such transactions have increased security (van Riel et al., 2001).

Next, although web site design had only a minor effect on overall customer perception to buy through an e-commerce site, its importance should not be underestimated. Online stores should pay careful attention to this aspect. Particularly, web site design should be readable, and the user interface should be visually appealing and tidy, allowing customers to use the web site easily.

However, perhaps most surprising is the dimension of <u>personalization</u>, which is not a significant predictor of overall service quality and customer satisfaction for online stores. This finding might indicate that customers are afraid that the online stores will sell personal information to other organizations without their knowledge or permission. Notably, increasing numbers of online customers have expressed concern regarding potential misuses of personal information and abuses of privacy (Than and Grandon, 2002).

Additionally, consistent with previous studies (Baker and Crompton, 2000; Sivadas and Prewitt, 2000; Zhu et al., 2002), this study found a positive relationship among overall service quality, customer satisfaction and purchase intentions in an online store.

LIMITATIONS AND FUTURE DIRECTION

It is necessary to recognize the limitations of the current study. Firstly, since the survey was conducted among a group of respondents from twin cities of Delhi and Gurgaon in India, the results should be interpreted with caution, particularly with respect to the generalization of research findings of Indian consumers as a whole.

Next, the sample size itself is relatively small. To accurately evaluate Indian consumers' perceptions of online shopping, a larger sample size is desirable.

Future research needs to focus on a larger cross section of Internet users and more diversified random samples to verify the findings of the current study.

Future inquiries could also examine the causal relationships between factors and how consumers' perceive overall online shopping by employing a structural equation modeling technique. In addition, future research needs to examine business to-business purchase in the context of cross-national and cross cultural differences.

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7. Appendix

Consumer Demographics

	П	T	
	+	+	H
Please fill the below information before filling the questionnaire.	\perp	+	ļ
		1	
Name:			
Education			
□High School			
□Graduate			
□Post Graduate			
	П	Ī	
Age	T		Ī
□ Less than 20 years	П	Ī	Ī
□20-30 years		Ī	
□30-40 years			
□40-50 years			
□Above 50 years			
Gender			
□Male			
□Female			
Occupation			
□Student			
□Business		Ī	
□Working Professional			
□Housewife			
□Retired professional			
□Any Other		Ī	Ī
	T	Ī	T
Monthly Family Income(in Rs)	T	Ī	T
□Below 10,000	\parallel		T
$\Box 10,001 - 20,000$	Ħ	Ť	

$\Box 20,001 - 40,000$	
□Above 40,000	
Do you prefer online shopping over going to a retail store	
1.□Yes	
2.□ No	
Q2. If yes, Have you ever used Amazon India for shopping online	
1.□Yes	
2.□ No	

Questionnaire

** * 11	Question						
Variable	No.	Question					
Web site design	Q1	How visually appealing do you think the Amazon website is.	□1	□2	□3	□4	□5
Web site design	Q2	How well organized is the Amazon website's user interface.	□1	□2	□3	□4	□5
Web site design	Q3	How quick and easy is it to complete a transaction at the Amazon.in website	□1	□2	□3	□4	□5
Web site design	Q4	How do you find availability of information about products on Amazon India.	□1	□2	□3	□4	□5
Web site design	Q5	How do you find the variety of products available at Amazon, giving you sufficient choice of product selection	□1	□2	□3	□4	□5
Reliability	Q6	How well do you think Amazon India does on its undertaking to deliver orders by a certain time	□1	□2	□3	□4	□5
Reliability	Q7	How well do you think Amazon India do with regard to its undertaking to deliver orders of the promised quality	□1	□2	□3	□4	□5
Reliability	Q8	How well does Amazon India shows a sincere interest in solving customer problems	□1	□2	□3	□4	□5
Reliability	Q9	On a scale of 1 to 5 how well does Amazon India perform in terms of transactions with the site being error-free	□1	□2	□3	□4	□5
Reliability	Q10	How secure do you think is doing a transaction with Amazon India	□1	□2	□3	□4	□5
Responsiveness	Q11	How prompt do you is the service of Amazon	□1	□2	□3	□4	□5

		India.					
Responsiveness	Q12	How well do you think the Amazon India customer service is willing to help customers	□1	□2	□3	□4	□5
Responsiveness	Q13	How quickly is the customer service team able to resolve the customer queries	□1	□2	□3	□4	□5
Trust	Q14	How well can you trust shopping with Amazon India, based on the online reviews of the site and the products on the site	□1	□2	□3	□4	□5
Trust	Q15	How well do you trust the website to be secure enough in context with browsing the site	□1	□2	□3	□4	□5
Trust	Q16	How well do you think is the website in terms of accurate information and up to date content	□1	□2	□3	□4	□5
Trust	Q17	How secure do you think are the payment gateways at Amazon India	□1	□2	□3	□4	□5
Personalisation	Q18	How well do you think Amazon India tries to make the website personalised in terms of suggesting frequent searches	□1	□2	□3	□4	□5
Personalisation	Q19	How well do you think Amazon India scores in terms of providing multilanguage support to help more people shop online	□1	□2	□3	□4	□5
Personalisation	Q20	How well does Amazon India tries to communicate with people via emails and text messages	□1	□2	□3	□4	□5
Service Quality	Q21	How satisfied are you with the overall service quality of Amazon India	□1	□2	□3	□4	□5
Purchase intention	Q22	Based on the selection of products available on Amazon India, how likely are you to recommend Amazon India to your friends and famiy	□1	□2	□3	□4	□5

8. Annexure

Figure 1.1	Online Retail Forecast 2016-2021			
Figure 1.2	Compound Annual growth rate by			
	country			
Figure 2.1	Top Motivators for shopping Online			
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