Project Dissertation

On

ADOPTION INTENTION OF ONLINE SHOPPING: A STUDY ON INDIAN YOUTH

Submitted By:

Parul Bajpai

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Under the Guidance of:

Dr. Rajan Yadav

Associate Professor

DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

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CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Report titled "**ADOPTION INTENTION OF ONLINE SHOPPING: A STUDY ON INDIAN YOUTH",** is a bonafide work carried out by Ms Parul Bajpai of MBA 2013-15 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide   Signature of Head (DSM)

Seal of Head Place:

Date:

DECLARATION

I **Parul Bajpai**, student of MBA 2013-15 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Final Semester Dissertation Report on **ADOPTION INTENTION OF ONLINE SHOPPING: A STUDY ON INDIAN YOUTH** submitted in partial fulfillment of Degree of Masters of Business Administration 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, Diploma and Fellowship.

Parul Bajpai

Place: Delhi

Date:

<u>ACKNOWLEDGEMENT</u>

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I would also thank Mr. Anuraag Tiruwa without him this project would have been a distant reality. I would like to express my special gratitude and thanks to all the respondents for giving me their attention and valuable time.

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EXECUTIVE SUMMARY

This project is intended to find the adoption intentions and factors that affect the adoption intention of customer. Online shopping has changed the dynamics of shopping in India in past few years. These e-business techniques have encouraged other business players and helped them to gain profits. Soon portals like Amazon, Flipkart, Jabong, etc. started venturing in India for their businesses. The research is conduct under Indian context. Various factors have been classified under the broad construct. Quantitative data was collected from a self-administered questionnaire. Questionnaires were distributed electronically through web. Tools Microsoft Excel and SPSS have been used for the data analysis using factor analysis and regression tests.

The result has shown a significant relationship among dependent and independent variables. Some factors like self efficacy, perceived ease of use, trust, performance expectancy have shown positive relation to adoption intention, where as risk depicted negative relation.

Vendors can attract more customers with more online presence, transparent transaction and online discounts. Risk can be diminished more with frequently personalized information and exclusively personalized design.

Further this research can be extended to different context and other fields of online shopping. With the more advancement in payment options and payment gateways, roles of intermediaries and financial institutions can be accessed.

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INTRODUCTION

1.1 Introduction to Report

The act of purchasing products or services online using internet is known as online shopping. It is easy and convenient to shop from home and office than to bargain at shop therefore online shopping has grown popularity. It can also be defined as the process through merchants buys goods and services over the Internet. With the development of the World Wide Web, people get opportunity to get products from merchant through online medium. Along with comfort at their home they can sit in front of computer and visit web stores. A huge variety of items can be bought online and anything that companies provide online. Books, clothing, household appliances, toys, hardware, software, and health insurance are just some of the products which are commonly bought online.

Evolved as businesses, electronic commerce or e-commerce what we call as now, has shifted the frame from real time market to digital market. As most of business is now carried on through internet therefore anything which is not internet is taken down. Political and physical barriers have been diminished by e-commerce, the online shopping system, which has given everyone an equal playing ground for their market in the world and anyone can put their products on this online platform.

1.1 .1 Evolution of Online Shopping

The form of sharing text information Videotex, was being researched in year 1979. Most of the work on videotext was done in UK. It was developed basically for a two way message service and for sending information which was in interest of many companies. But at same time, in 1979, Michael gave the concept of teleshopping, which is today's online shopping, revolutionized the way businesses happen.

In order to serve online platform for for purchases, share market, telephone directory and chat, Minitel, a more advanced form, replaced Videotext in 1982. It was one of success, before the World Wide Web was introduced. It was launched in France successfully but in UK it faced low

success rate. A whole new revolution started which changed most of things when Tim Berners-Lee wrote the World Wide Web and the first browser was invented. A new navigator browser was introduced in 1994 by St. Martin's Press Netscape and after this a secure transaction came up with Secure Sockets Layer (SSL) encryption. Some companies started online ordering service on their webpage e.g Pizza Hut, other than this cars, bikes as well started selling on the internet.

With all these changes Amazon.com in 1995 became first to sell everything online and with this first 24 hour commercial started by Jeff Bezos on internet radio station. After this more radio broadcasting started e.g Radio HK and NetRadio. Many companies started using internet for all their transactions e.g Dell and Cisco. eBay came up online auction option. With the success of all these ventures United States came up with idea of selling Electronic postal stamps which could be downloaded after purchase.

It was worth US $7.5 deal for the acquisition of Business.com by e-Companies. At the same time a peer-to-peer file sharing software was launched named Napster. To a delight at ATG Stores home decorative items were sold. An amazing fact, the dot.com bust which is common in today's era was a speculation for a period of time when such a prefix could make a great rise in stock prices. This was the reason for the fall of many companies.

Brilliant plans were drafted by entrepreneurs and got capital investment to, they worked according to rule "expand the market and later profits will cover all present debts and losses." But situation didn't remain stable and market sloped down and all over speculating ventures were shut down. During this time eBay was bought up PayPal, a company that offered an alternative gateway through cash and check payment, for $1.5 billion. A new concept of domain specific commodities came with the launch of CSN Stores and NetShops and soon many online stores got the way into the market.

Amazon showed their first yearly profit in 2003 and came up with IPO. A remarkable growth in Ecommerce sector was witnessed with a 17% rise from previous year, a sales figures touching $204 billion. It was found that a approximate daily turnover for Amazon.com is US $2.5 trillion on daily basis with 14% annual growth rate. Similarly eBay had sales of US $1.89 billion.

1.2 .2 Online Shopping in India

The first encounter with Ecommerce in India was witnessed with the launch of IRCTC in year 2002. It was offered in order to comfort public to book the train ticket from their place. Thus the IRCTC Online Passenger Reservation System came into existence and running successfully with more add on features. It is a blessing for common men as they are not required to wait in a long line and avoid wastage of time during non availability of the trains. It has also relaxed the burden on the ticket bookers. It has introduced with more features such as booking tickets in one go, easy payments, checking of ticket status and train availability.

This remarkable success of IRCTC, online ticket booking system gave a way to airlines (like AirDeccan, Indian Airlines, Spicejet, etc.). They encouraged in order to avoid the agents and helped the major population to use e-commerce. For now the online booking is not limited to train and airlines rather hotel bookings, bus booking etc. are being done using the websites like Makemytrip and Yatra. These e-business techniques have encouraged other business players and helped them to gain profits. In India the online shopping gained popularity with the deep discount model of Flipkart, though it was present since the 2000. It gave new dimension to online shopping in India. Soon other portals like Amazon, Flipkart, Jabong, etc. started venturing in India for their businesses.

In starting online shopping offered limited options for shopping and was a simple medium. Customers can place their order and pay through cash on delivery (COD). But, in recent years the sector has progressed to a great extent and attracted many customers. Now, in India online shopping is a trend and the innovative websites, user friendly interface, new fashion and trends and easy payment options motivate users to use them. India has witnessed remarkable growth in ecommerce in last few years despite of being a developing country. But still the Indian online market is far behind the US and the UK.

1.1.3 Global Trends in Online Marketing

There has been no change in the fundamentals of marketing, but these fundamentals will not cope up with the fast changing landscape and changing technology. Current need is to take a leap of the trends and predict the future with the next big things. All the digital marketers need to be

attentive to see what the current trends are and which changes can affect their business in long term. New technologies have evolved the digital platform and have brought a drastic change in consumer behavior.

Constant change in digital marketing platform

Marketing strategies are redefined through new tools, technologies and platforms. No boundaries can define the scope for digital marketing - it consist of all latest devices and methodologies e.g smart phones, tablets, laptops, game consoles, televisions, digital billboards, search engine optimization.

Transparency an important aspect for marketing

Consumers still enjoy the power and influence. Brands are taking advantage of all round transparency and leading to a grave competition. The brands which are enjoying success is because of the real time and accurate picture they are showing, what customer meant for them. Emergence of changes in marketing technologies is spectacular. Most of the companies think in terms of marketing in a digital world, since digital marketing and marketing in digital world are different things. Marketing Technologists are the best marketer in a digital world; they possess a heavy digital DNA and technology acumen. They mingle with the marketing groups and play an important role in framing marketing strategies.

Internet of Things: Connected devices in ecosystem

The way world is connected now and communicates is deeply impacted by mobile devices. This has given the business a new platform to reach the users and interact with one another, providing an edge to consumers also. These devices has given an opportunity for better representation of the brand's products and services and capturing the moments the consumer is experiencing throughout their day with their devices. The importance of the actions a person is intended to do can be received and help in aligning the interest of the business making it more useful to the consumers.

Content marketing: business is looking for

This not a new frame, but changed a view in past years and has grabbed the focus of the marketers and business owners in order to build a real time connections with consumers. As a part of marketer's job storytelling has always been an important aspect, but has never been looked upon as a crucial factor to the success of a company. The entire marketing industry has revolutionized with social web content, and has initiated a two way process with the consumers The old tradition of writing press releases and buying billboards to sell products is now not just a way stand out from the competition; company has to interact with the customers, cater to the interest and experience.

Growth of sponsored content an important attribute to brands and increase revenue.

The business focus has shifted to content marketing. There are many ways to attract the customer; one is by circulating appealing content to the target group and generating new sponsored content or sponsoring the existing content. There are different categories of sponsored content, but at last the aim is give the message a reach it cannot achieve on its own.

Raise in the social advertising in comparison to display ads

Whether a business is going to work for the reach of their customers can be predicted by data. Recent development in advertising is advertising displayed on the websites is the relevant ads from the websites recently visited to gain the attention of the consumer. Banner ads is an another way to showing the favorite websites, but these are not driving any actual value for the business, as they often ignored among the other ads displayed on the same website.

SEO: the need for today's media

There has been a dynamic shift from traditional inbound links to social media mentions. Search engines are designed to show the most related and relevant content along with highest quality and social share as the top most preferences. Similarly images are essential for success as online consumer are not more sensitized with banners and frame ads, because of use of the images the number of advertisements has increased to gain attention of the users. Now more emphasis is laid on content which is easily digestible; and thus impressive and relevant images help the content reach out.

Media agencies as a support to lead and growth

The today's creativity is the result of effective and efficient media placements. Media agencies which were not paid much attention earlier and provided with strictly narrow media recommendations are now a stand behind the success of a company. There is also a shift from a media-facing to consumer facing media agency layout. They have placed themselves strategically at the intersection of technology and the consumer, nourishing their clients key strategic partner, as comparable or even more so than creative agencies.

Shift from globalization to personalization

Technology has paved a new way to the world of marketing, but marketing has sprouted to be more customized, and more regional/local based, as the customer insist for more personalization. Personalization is not a fad. It is a marketing revolution and will continue to improvise; it is changing how customers think about and how companies manage global brands. Companies looking for decentralized strategy and restructuring for more regional and local influence.

Procurement has changed the game

Companies are trying to balance the financial stance, and marketing procurement for better clout, and greater accountability and transparency. Procurement is not seen just a branch rather now it partners more closely with the CMO, CIO, CTO and CFO to improve and remove internal roadblock and has developed focused view for agency operations to improve efficiencies. On the other hand there is growing intend for Internal Communications. Companies are taking internal communications as a marketing asset. They are developing it as key challenge for competitors and opportunity to showcase their brand and try to make employees and vendors believe and live "the brand," along with the vision and strategy of the company.

1.1.4 Major Players in India

 FLIPKART

Flipkart, was founded in year 2007 by Sachin Bansal and Binny Bansal, which revolutionarized online shopping in India. Technically it's not an Indian company, a Singapore registered company operates solely in India, due of FDI regulation. Flipkart has it's headquartered in

Bangalore, Karnataka. With the growth and success Flipkart has now came up with its own range of products under the brand "DigiFlip".

"Acquisitions and Expansion

1. 2010: Acquired WeRead, which is a social book discovery tool.
2. 2011: Got hold of Mime360, a digital content platform company.
3. 2011: Chakpak.com, a Bollywood news site that offers updates, news, photos and videos. Flipkart acquired the rights to Chakpak's digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.
4. 2012: Letsbuy.com, an Indian e-retailer in electronics. Flipkart has bought the company for an estimated US$25 million. Letsbuy.com was closed down and all traffic to Letsbuy has been diverted to Flipkart.
5. 2014: Acquired Myntra.com in an estimated 20 billion (2,000 crore, about US$319 million) deal.
6. 2015: Flipkart acquires a Bangalore-based global mobile network AdiQuity for an undisclosed amount."

Initially, Flipkart started with Rs400, 000 only for setting up website for its business. Later on it raised investment from various other companies and groups e.g Accel India and Tiger Global. On 24 August 2012, Flipkart declared a funding of $150million from MIH (part of Naspers Group) and ICONIQ Capital.

With the current statistic, Flipkart is selling nearly 10 products/minute and is aimed at generating a revenue of 50 billion (US$0.81 billion) by 2015.

A most talked about one-day event - "The Big Billion Day" "Flipkart sold about worth INR 650Crore products just in 10 hours, claimed to have created a history in online shopping, but their reputation for good customer service suffered a lot because of glitch at technical end, which lead to social media raged with angry reactions from the disappointed customers."

In February Flipkart launched Moto G, a budgeted smartphone by Motorola Mobility which was Google owned but later sold to Lenovo. After the success of the launch of Moto G, Flipkart was

expecting a long term tie up with Motorola Mobility. This success story, led to another interesting tie up between Flipkart & Motorola Mobility, which further paved the way to the launch of Android smartphone e.g the Moto X . After Moto G and Moto X, it was the turn of Moto E to add to the family on May 2014. Xiaomi Tech got a great launch pad through the sale of high-end smartphone Xiaomi Mi3 by linking with Flipkart. As amazon has started its grocery project in Bangalore, Flipkart is planning to enter in this soon, but will have face strong competition from other local startups like "bigbasket,zopnow, bazaarcart etc."

Recently Flipkart was in news for its stand on the subject of Net Neutrality for which it received mass criticism on because of their tie up with Airtel for the use Airtel Zero platform, which could have made the Flipkart app free for Airtel Users. But soon Flipkart dropped its decision to use Airtel Zero platform.

In order to grab more attention and popularity Flipkart came up with Big Billion Day on 6th October, 2014, which targeted billion sales in 1 day. But at the same time it received lots of criticism from consumers, competitors and partners for damaging reputation. There was technical glitches because of which customers could not place the order which led to frustration among customers. Some customers got cancellation mail for their orders. It killed the competition as many products were sold below the cost price and raved anger in retailers.

AMAZON

With a vision of most customer centric company and to establish a place where customer can find wide range of products in any category virtually Amazon.com came forward. In India Amazon.in ventured with the same view by offering customer what they are looking for and above and over expectation– vast selection, low prices, fast and reliable delivery, and a trusted and convenient online shopping experience. At the same time Amzaon provide sellers a world-class e-commerce platform. Amazon has also promised a 100% Purchase Protection to the customer for safe and secure online experience. They also offered different payment option with cash on delivery (COD), easy return policy.

Amazon came up different strategies, with a marketplace model without having its own merchandise which act as a ground for any retailer to sell their products "Our vision is to become a trusted and meaningful sales channel for retailers of all sizes across India, enabling them to succeed and efficiently grow their business online," said Amit Agarwal, Vice-President and Country Manager, Amazon India.

Due to hard rules of FDI in India for multibrand retailers Amazon is not stocking and selling its own products because. Amazon has build a 1.5 lakh sqft fulfillment centre in Mumbai and signed up more than 100 vendors across the country so far to fulfill online orders. Third party is allowed to access its account for services including Selling on Amazon and Fulfillment by Amazon(FBA). Sellers have to maintain their own inventory, fulfill orders and provide customer service as soon as they create their account. Amazon's fulfillment resources and expertise can be accessed by third party for customer service and shipping. "We provide barrier free access nationwide without any listing fee. Sellers canleverage on Amazon's investment in technology and innovation. It also provides sellers pay as you use fulfilment service," said Amit Agarwal, country manager for Amazon India, who has been with Amazon for the past 14 years.

 SNAPDEAL

Another famous and top most online shopping portal Snapdeal ventured in India starting with offering deal and has headquarter in New Delhi, India. "The company was started by Kunal Bahl, a Wharton graduate as part of the dual degree M&T Engineering and Business program at Penn, and Rohit Bansal, an alumnus of IIT Delhi". Snapdeal started its operations in February

2010 as a daily deals platform and later launched an online marketplace. It has been offering variety of assortment in diverse categories from over lakhs sellers, shipping to five thousand towns and cities in India and has become one of the largest online marketplace. Recently Snapdeal brought Amir Khan for the promotion of its website in India.

"Acquisitions and Expansion

1. In June 2010, Snapdeal acquired Bangalore-based group buying site, Grabbon.com.
2. In April 2012, Snapdeal acquired esportsbuy.com, an online sports goods retailer based out of Delhi.
3. In May 2013, Snapdeal acquired Shopo.in, an online marketplace for Indian handicraft products.
4. In April 2014, Snapdeal acquired fashion products discovery site, Doozton.com.
5. In December 2014, Snapdeal acquired gifting recommendation site, Wishpicker.com.
6. In January 2015, Snapdeal acquired a stake in product comparison website Smartprix.com.
7. In February 2015, Snapdeal acquired luxury fashion products discovery site.
8. In March 2015, Snapdeal acquired 20% stake in Gojavas.com.
9. In March 2015, Snapdeal acquired ecommerce management software and fulfillment solution provider, Unicommerce.com.
10. In April 2015, Snapdeal acquired mobile-payments company FreeCharge.com."

SHOPCLUES

ShopClues.com was founded in the Silicon Valley, USA in 2011 and has headquartered in Gurgaon, India. It is also an online marketplace with over ten thousand and more registered merchants who retails more than two lakhs products on the platform to over millions visitors every year across ten thosand locations India.

"Clues Network Inc., a US Corporation and was founded in November 2011 by an alumnus of Washington University and Wall Street internet analyst Sandeep Aggarwal and eBay's former Global Product Head, Sanjay Sethi came up with ShopClues , an Indian subsidiary."

ShopClues.com encounters an annual transaction of 18lakhs with around 42 million visitors per year. The revenue realization of approximately Rs 100 crores which is accumulated on monthly basis.

ShopClues.com had targeted revenue about Rs 8 crore and handled 1.52 lakh transactions compared to Rs 11 lakh in revenue and 200 transactions in January 2012. Now, the company is looking forward to a target of about 30 lakh transactions and also projecting the total visitors to the website to cross 10 crores.

 JABONG

India fashion style got new dimension with the launch of Jabong.com, an Indian fashion and lifestyle e-commerce portal. It is targeting selling apparel, footwear, fashion accessories, beauty products, fragrances, home accessories and other fashion and lifestyle products and has headquartered in Gurgaon, NCR.

It started its endeavor in January 2012 and was co-founded by Arun Chandra Mohan, Praveen Sinha, and Lakshmi Potluri after which Manu Jain and Mukul Bafana joined the organization. The managing officers are Arun Chandra Mohan and Praveen Sinha.

Jabong has been delivering about 6000-7000 orders a day. During the Great Online Shopping Festival 2013, Jabong was listed as one of the most visited e-commerce sites. Company

representatives claimed that its revenues increased five to six times compared to a usual day, and that Jabong set a record for sale in the male fashion category.

Jabong.com has opted for both an inventory model and managed marketplace model. In the inventory model, products are sourced from brands and stored in the Jabong warehouse. In the managed marketplace model, Jabong provides marketing, logistics and delivery.

Jabongworld.com, "Jabong's international venture, which sells Indian ethnic wear such as sarees, lehengas, salwar suits and dress materials. Jabongworld.com has introduced its Indo-Western wear range as well that includes dresses, tunics, jeans and other apparels for men, women and kids priced in foreign currencies like USD, MUR, MYR and more."

1.2 Objectives of the study

1. To determine the factors that have affect on the adoption intention of online shopping.

2. To explore the reasons for the drift to this platform.

3. To find the constraints for the adoption intention.

CHAPTER 2

LITERATURE REVIEW

In the context of Indian culture many factors influencing online shopping behavior and the intention toward online shopping have been recorded in literatures. It has been found that there is a change in the preference of the consumers while shopping online and offline for different products and sometimes difference is seen during different stages too. A model that weights the importance of these differences has been developed that describe whether these are served better online or offline.

Ruchi Nayar and S L Gupta in their paper 'Determinants of Internet Buying Behavior in India' provided a view of the various demographic and psychographic factors influencing consumer's willingness to purchase online. They also developed a new model based on Technology Acceptance Model (TAM) for the purpose of this research which incorporates consumer demographic factors and perceived risk along with other TAM variables in order to define the acceptance behavior consumer in online shopping. Zia Ul Haq in his paper 'Perception towards online shopping: An empirical study of Indian Consumer' explained consumer buying behavior in Indian context and gave relation between the factors and online shopping. He found four major perception dimensions of consumers on online shopping in India.

Similarly one more study on online shopping by Benedict et al (2001) gave the intention and perception on consumers towards online shopping are not just affected by ease of use, usefulness, and enjoyment, but also by external factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping. Moe (2003) pointed out that consumers motive for visiting a website has a significant relation to their purchase attitude towards. People with hedonic (goal-oriented) and utilitarian (experiment oriented) attitude interact with websites differently. Other studies have argued that consumers goals, influence their online shopping behaviors.

Neil Luis Pinto in his paper 'Understanding barriers to online shopping among Indian Consumer' discussed about the effectiveness and the level of attractiveness this fast growing channel of marketing has in the minds of the Indian Consumer.

A number of studies have tried evaluating the online shopping tendencies based on gender. And it is found that gender has no effect on shopping and non-shopping attitude. It has been inferred that men's attitude of online shopping were approximately similar to those of female consumers.

Reinhardt and Passariello, (2002) pointed out that online sales were subjected to exceed $36 billion in 2002, with growth rate of 20.9% to reach $81 billion in 2006. At the same time Europeans were using online medium too. On the same track the cumalative revenues for Amazon.com's European operations in past three quarters grew at more than 70 percent annually, reaching $218 million. This depicted that Internet is a famous medium for a large number of consumers in the US and Europe for shopping purposes.

Utilitarian consumers shops on the basis of rational necessity which are directed to specific goal, they display goal-oriented shopping behaviors. Their adoption intentions are based on task-oriented, efficient, rational, and deliberate online shopping approach instead of an entertaining experience. One more research argued the internet is used as an information source by utilitarian consumers rather than just entertain medium.

Burke et al.,(2002) stated important external factors in online shopping context are consumer traits situational factors product characteristics previous online shopping experiences and trust. This frame work can be applicable to online shopping context by including these factors along with the general determinants of consumers' perception and intention to use a technology. Venkatesh (2000) explained the strength of cognitive spontaneity in online shopping through Computer playfulness. It was found that playful individuals, enjoy the process and perceive it less in comparison to less playful, may lead misconstrue to the difficulty of the means or process of online shopping. Computer anxiety is known as an individual's apprehension or even fear when she/he is faced with the possibility of using computers. This may change the perception of consumers regarding the effective use of the Internet as a shopping platform.

CHAPTER 3

Research Methodology

The study involve involves non-probabilistic convenience sampling. 160 customers were selected throughout India using online platform. Questionnaires were distributed electronically through web. Quantitative data was collected from a self-administered questionnaire. Utmost care has been undertaken to ensure that there is insignificant sampling error, such that the results of this study can be applied, in general, for the universe with a reasonable level of confidence. In order to have the holistic view and complete information variety of questions has been used. The questionnaire included statements which the respondents were required to rate on the basis of Likert scale. The research instrument constituted a 7-section questionnaire, including demographics, that has been obtained from various resources in order to gather information related to demographics, self-efficacy, perceived ease of use, performance expectancy, trust, risk and adoption intention of online shopping.

3.1 Research Model
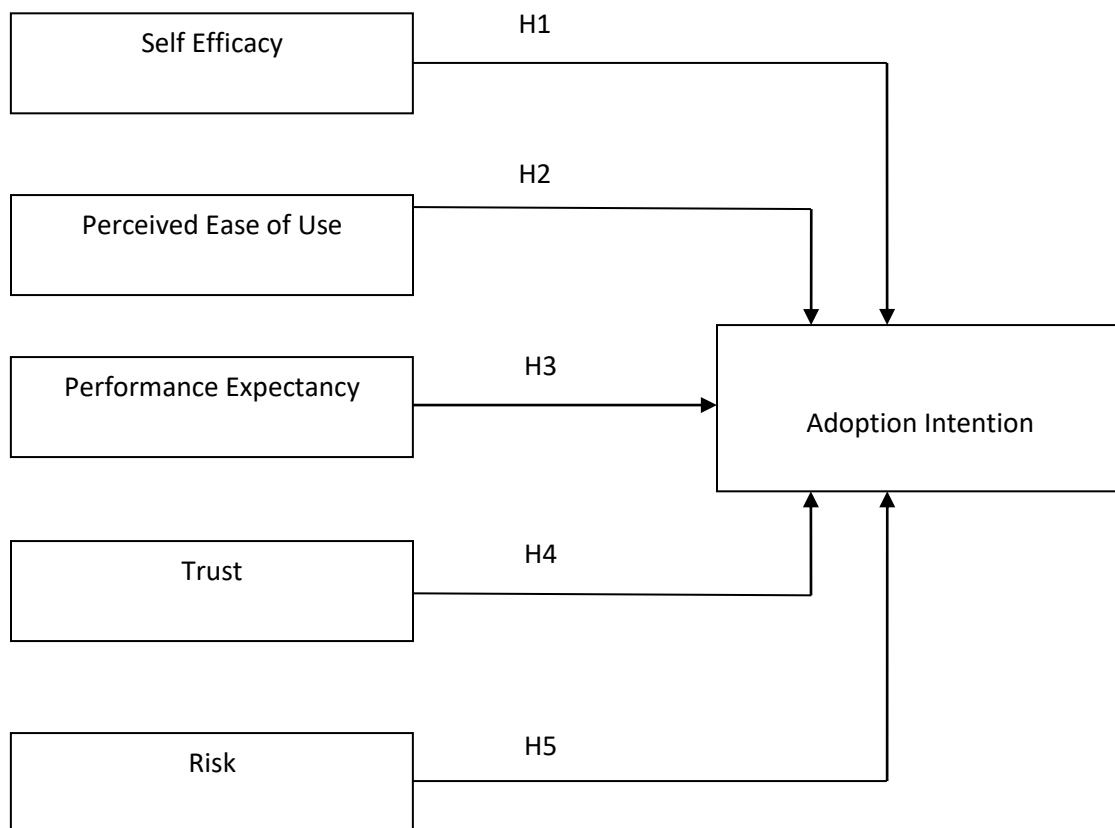
3.2 Hypothesis

H1: Self efficacy is affected by adoption intention of online shopping

H2: Perceived ease of use is affected by adoption intention online shopping

H3: Performance expectancy is affected by adoption intention of online shopping

H4: Trust is affected by adoption intention of online shopping

H5: Risk is affected by adoption intention of online shopping

3.3 Questionnaire Preparation

Table. 1 : Questionnaire used for survey.

Section	Sample Question	Source
Self Efficacy	I use internet for purchasing product. I am capable of locating relevant site for purchase. I feel comfortable searching for information about a product on the Internet.	Adapted based on Luarn & Lin (2005)
Perceived Ease of Use	I have good experience with online shopping so far. It is easy to shop through internet. It is fun to shop online.	Adapted based on Davis (1989)
Performance Expectancy	It takes less time to search and buy product online. It enhances effectiveness in searching and buying products onlineOnline shopping is useful for	Adapted based on Devaraj (2002)

	searching and buying goods.	
Trust	It is easier to take decision while online shopping. Available products online are better in quality. Online shops are completely trustworthy. Online shops keep promises to their customers.	Adapted based on Pavlou (2003)
Risk	I feel public knowledge of my purchase is risky. I feel internet retailers are not trustworthy.	Baur (1960), Bellman et al. (1989), Chen et al. (2006)
Adoption Intention	I will continue online shopping in the future. I will suggest my friends/family for online shopping.	(Bhattacherjee, 2001; Lin et al., 2005; Hsu et al., 2006)

CHAPTER 4

DATA ANALYSIS AND RESULT

The data collected through various resources and pre-processing is done to make it useful for the purpose of analysis by removing outliers and compensating for missing data. Various steps involved in the process are

Step 1: Cleaning the raw data

The data collected through the survey cannot be fully trusted upon; therefore data needs to be clean before processing to avoid Garbage in, Garbage out. In this process extraneous characters and missing data has been taken care of for further processing.

Step 2: Processing the clean data

The cleaned data is recorded in such a format so that it becomes easy to analysis the data. Such that the values on the Likert scale are decoded into quantitative form so that it can be further analyzed.

Step 3: Analysis of cleaned and processed data

The final data is saved on a worksheet which now has 165 responses genuinely filled by the respondents.

The respondents are 55% female and 45% male. The given sample comprises of 32% salaried people in a range of Rs. 2.5 – 5 Lakhs per annum. A large percentage of samples (50%) belong to the age group 25-34 years. While the least representative group of respondents is of age group of 45 years and above. This can be attributed to lack of use o computer and technology. Finally 49% are graduates and 47% are post graduates. Other then this about 67% respondents are having marital status single and 30% married.
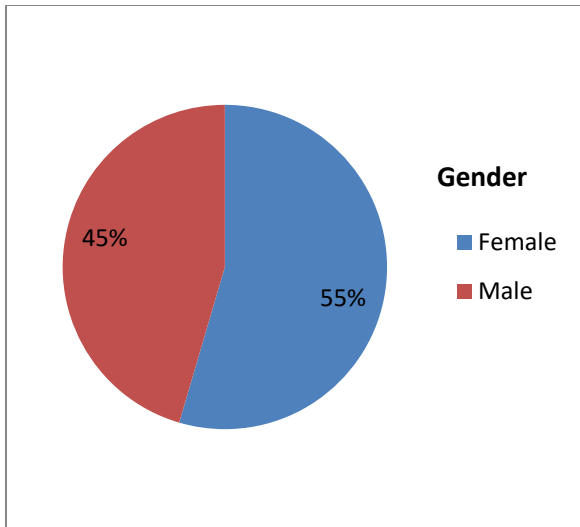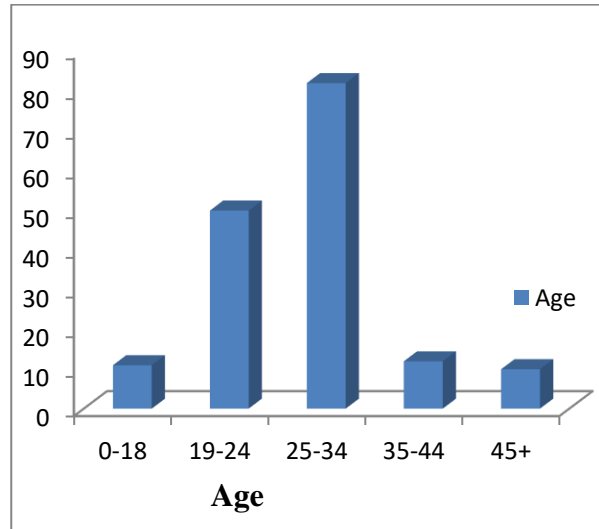
Figure1. Gender Distribution Pattern

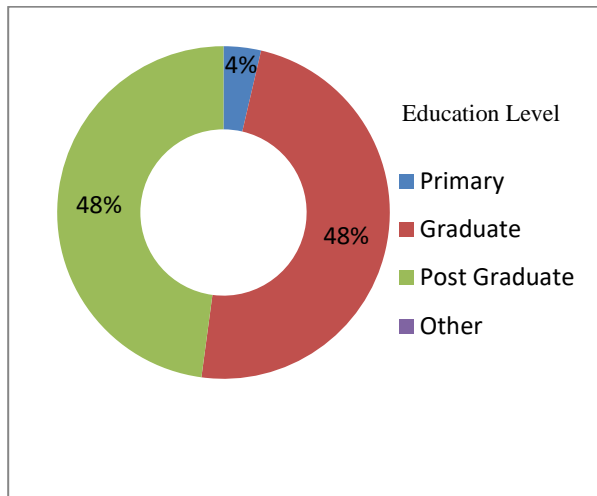
Figure2. Age Distribution Pattern

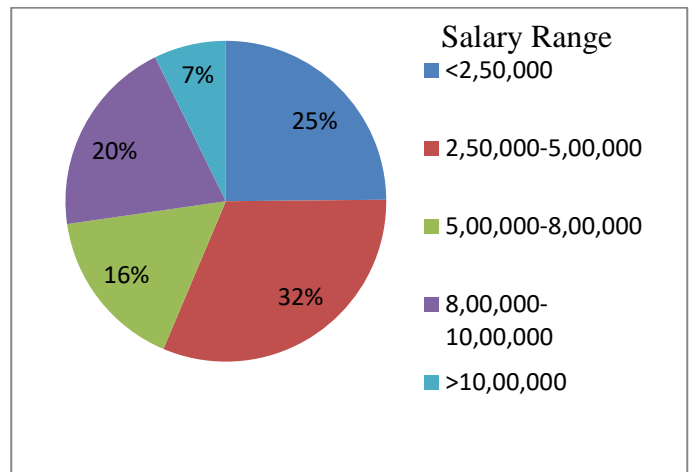**Figure3. Education wise Distribution Pattern**

Figure4. Salary Distribution Pattern

Each construct of the factor respond to two to four questions. The response received from 165 respondents varies from one end to another. Following graphical represents depicts the response pattern for the constructs
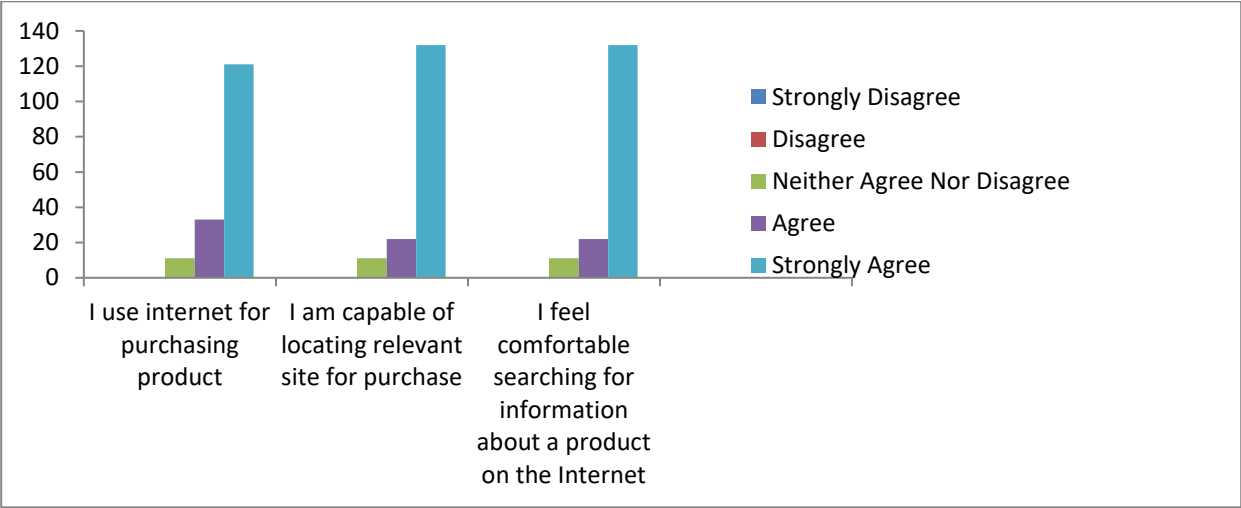
Figure 5. Self Efficacy

The given statistical representation gives an idea of how much users are comfortable with using internet and searching for the products online. It was as most of the respondents were from early twenties to early thirties therefore they are capable of handling the electronic devices like computer or mobile phone and have a clear idea of browsing through the relevant websites.
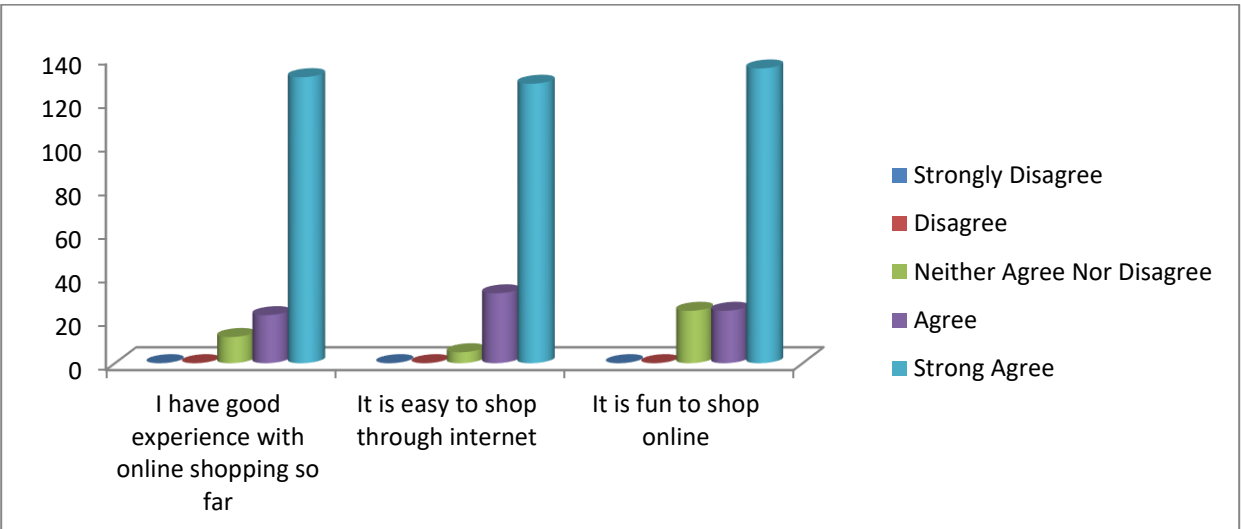

Figure6. Perceived ease of use

and needs they are targeting for good user experience. Competition has also added on to this, as

the online shopping sites are initially targeting to capture the maximum market share rather than focusing on profits.

Figure7. Performance Expectancy

Each of the website is trying to make the user experience better and smoother. As a result users find online shopping sites as an effective and efficient medium of shopping. Again technology advancement and growing competition has added to this change. With the fast growing needs and changing demands online companies are trying to match to the current scenario.

Figure8. Trust

It is almost a decade for the online platform in India and the online companies have build themselves so well to gain the trust of the users. Whether it may be contributed to the quality of

products or the promises the vendors make. But still there is some ambiguity in the trustworthiness of the online retails. As the virtual experience of the products cannot be compare to the real feel. There is still more to achieve for these online platform.
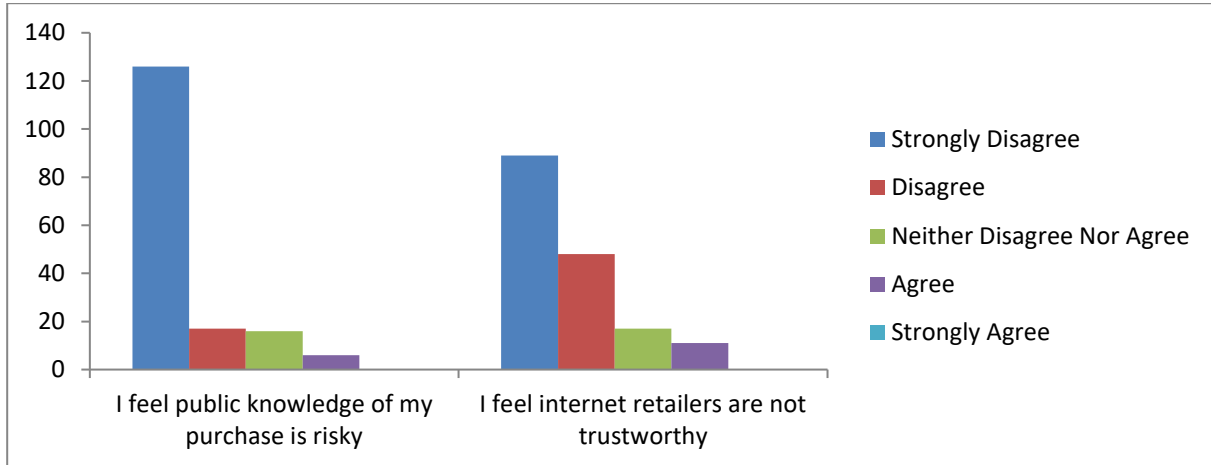

Figure9. Risk

As perceived from the trust factor, still online vendor haven't gain the complete trust of the users, these users feel the platform is still not free from the risk. These risks can be attributed to multiple reasons e.g payments, quality, delivery issues etc. Online retailers should try to remove or lessen these risk causing factors.

4.1 Result of Factor Analysis

Factor analysis is used to determine structure of psychographic variables. A Cronbach alpha is used for the multi-item scale for each dimension to check reliability. The measure of reliability for 20 number items on a sample size of 165 was observed to be 0.732 which is above the recommended minimum standard of social science based researches.

Table2. : Factor Analysis loading results using SPSS.

FACTORS	LOADING	RELIABILITY
Self Efficacy		0.979

|		
I use internet for purchasing product	0.901	
I am capable of locating relevant site for purchase	0.890	
I feel comfortable searching for information about a product on the Internet	0.898	
Perceived Ease of Use		0.907
I have good experience with online shopping so far	0.921	
It enhances effectiveness in searching and buying products online	0.787	
Online shopping is useful for searching and buying goods.	0.917	
Performance Expectancy		0.930
It takes less time to search and buy product online	0.891	
It enhances effectiveness in searching and buying products online	0.775	
Online shopping is useful for searching and buying goods	0.871	
Trust		0.839
It is easier to take decision while online shopping	0.908	
Available products online are better in quality	0.903	
Online shops are completely trustworthy	0.853	
Online shops keep promises to their customers	0.514	
Risk		0.842
I feel public knowledge of my purchase is risky	-0.727	
I feel internet retailers are not trustworthy	-0.692	
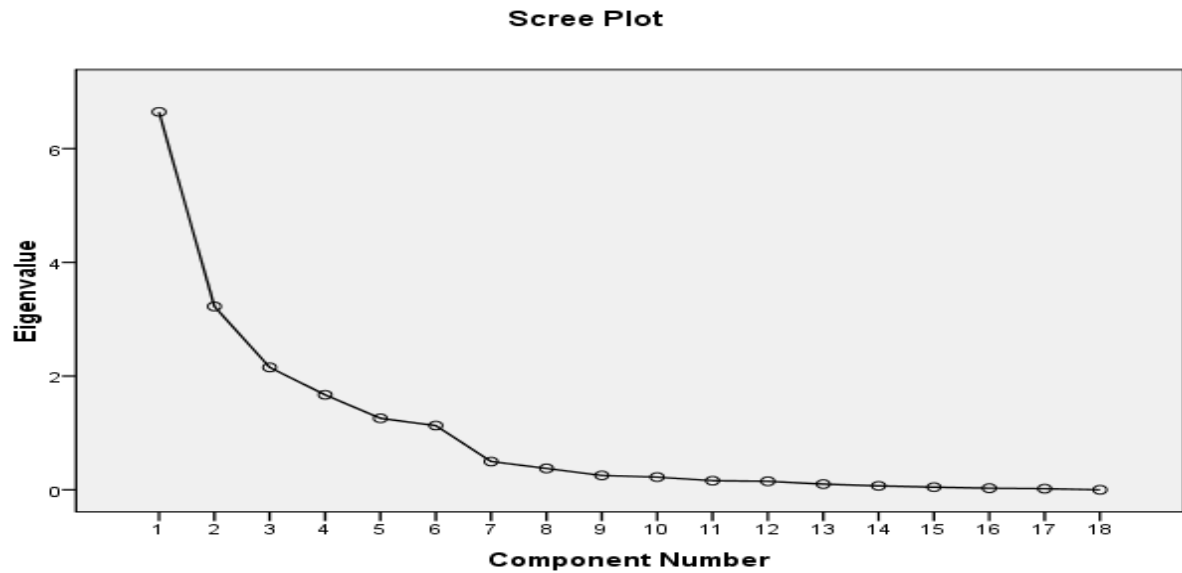
Figure10. Factor loading scree plot

4.2 Regression Analysis

The concept for the project is to find whether the variables have an influence as hypothesis. To serve this purpose, linear regression analysis (LRS) were conducted.
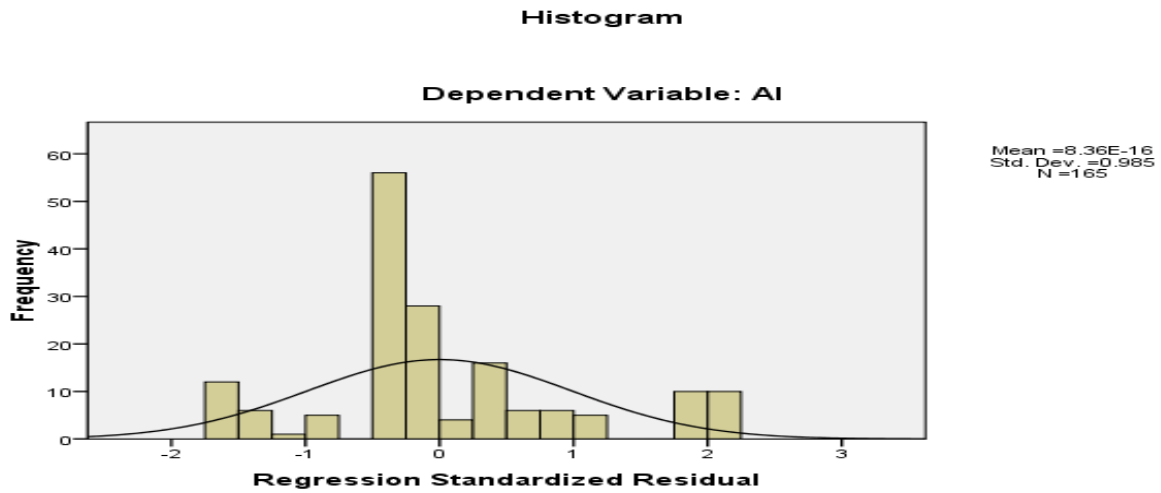
Histogram

Dependent Variable: AI

Mean =8.36E-16
Std. Dev. =0.985
N =165
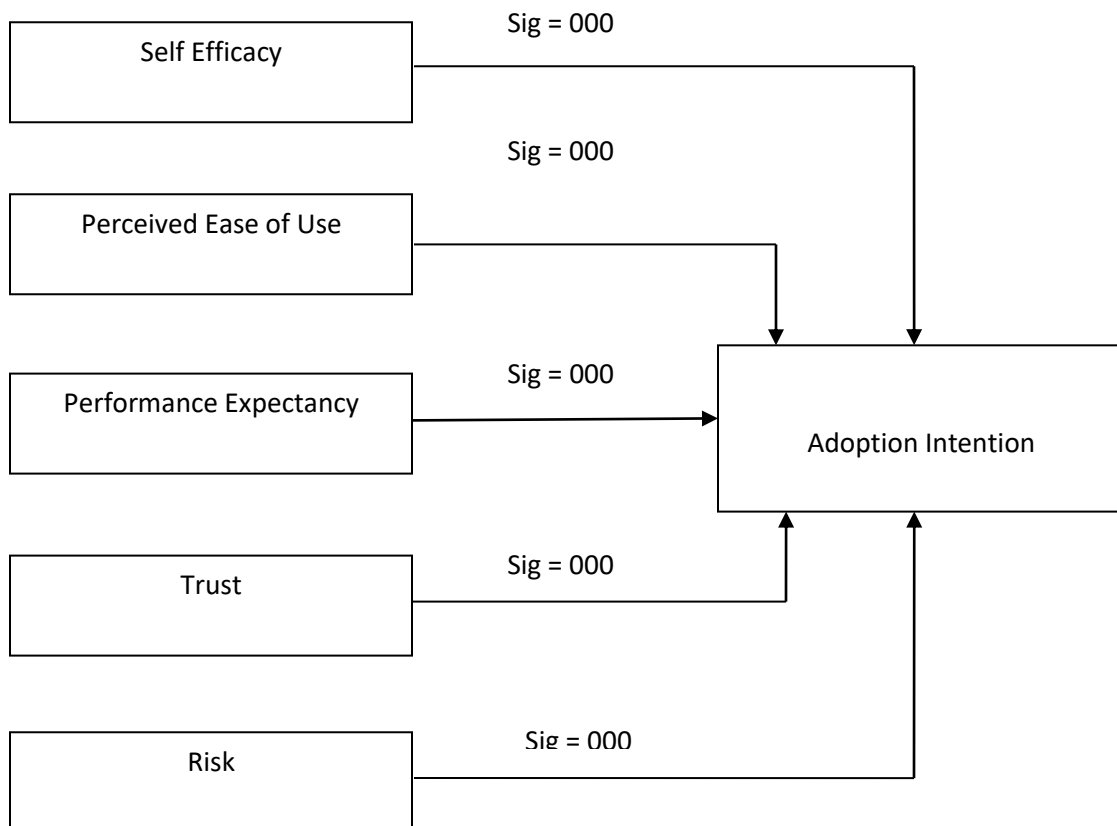
Figure11. Regression Histogram

Regression analysis showed the impact of each of the factor on the adoption intention. Significance value below 0.05 shows that the hypothesis framed for the analysis has been accepted, and in the given analysis the significance value is within the accepted value. Thus, each factor has an effect on the adoption intention. Trust has highest impact of adoption intention with R-squared value of 0.46 and risk negatively related to the adoption intention.

CHAPTER 5

CONCLUSION

The result has shown a significant relationship among various given variables. Risk has a negative influence on adoption intention, while other factors are positively related. The results show though Indians are adopting online shopping but still some risk persists for online transactions. They take online shopping as one of the entertaining activity. The factors that could hold them back from transacting online may be related to financial theft, disclosure of identity, product genuineness, lack of substantial proof and ambiguity in delivery mode and time. It is important for online vendors to understand the customer perspective and factors those influence their intentions. Factor Analysis categorized five major factors for online shopping adoption intention. Regression analysis pointed out the relationship of various factors with adoption intention. For all factors significance value is zero, which demonstrates strong relation. The R Squared value for all factors is in range of 0.25 to 0.50 which is acceptable according to given standards.

CHAPTER 6

RECOMMENDATIONS

The results have shown that apart from risk all factors showed positive relation to adoption intention. Therefore more care is needed to reduce the impact of risk on online shopping.

- More online presence and transparent transaction can help in this.
- Risk can be diminished more with frequently personalized information and exclusively personalized design.

Many leading brands are still relying on brick and mortar model. Other methods which can be used to have more effective positive factors can be

- Online vendors can increase their reach and clientele through allowing more discounts to attract attention.
- Market research can be helpful in understanding customer preferences and vendors can make changes on their website accordingly.
- Evolving technology can be an add on to the process which can cater to multiple payment options with amalgamation with easy going navigations.

CHAPTER 7

LIMITATIONS AND FUTURE RESEARCH

A few limitations were identified despite meeting the objectives of the research. It investigates the adoption intention of online shopping in Indian context only keeping focus on youth. Thus, it is best suited to educated tech savvy Indian youth. This research work cannot be replicated to other country due to difference in economy and culture.

Though the sample size of 160 is acceptable but a further refined and large sample could be helpful in defining the behavior and intentions more deeply.

This research focused on just internet based shopping further research can categorized the mode of operations of internet for online shopping like application based, catalog or TV shopping.

Research can be further extended to the role of various payment gateways and financial institutions during online transaction.

CHAPTER 8

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