

e-Buyers Behaviour towards Web Retailing

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Abstract: *Internet is changing the way consumers shop and buy goods and services. The initial success stories of online shopping have forced the marketers to incorporate the use of internet based technology for promotion and selling of their products and services. On the other hand customers find web retailing as an easy convenient platform not only for ordering the product online, but also to compare prices, product features and after sale service facilities provided by competitive marketers before making such buying decisions. This paper integrates two important streams of literature of the theory of reasoned action (TRA) and the technology acceptance model (TAM) with Buyers behaviour items and has explored the useful dimensions of e- buying behavior for web retailing. The study also revealed that the extracted factors of e- buying behavior for web retailing namely **Delighted buyers, Information Seeker and Skeptical buyers** have shown similar influence on different age group of respondents.*

1. INTRODUCTION

Internet is changing the way consumers shop and buy goods and services. The initial success stories of online shopping have forced the marketers to incorporate the use of internet based technology for promotion and selling of their products and services. It is viewed as an alternate channel of distribution network for cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. On the other hand customers find web retailing as an easy convenient platform not only for ordering the product online, but also to compare prices, product features and after sale service facilities provided by competitive marketers before making such buying decisions. So, the success and outlook for web retailing based business-to-consumer (B2C) electronic commerce depends not only on consumer acceptance of Internet technologies as viable transaction means, but on consumer recognition of Web retailers as reliable merchants.

In light of this, a comprehensive model describing the factors that drive consumers to accept e-commerce and on-line transactions would be useful for both academicians and practitioners, in that it would help them to better understand consumer on-line behavior in the emerging web retailing e-commerce environment. This paper integrates two important streams of literature under the nomological structure of the theory of reasoned action (TRA) and the technology acceptance model (TAM) with Buyers behaviour items. In 1989, Davis proposed the Technology Acceptance Model (TAM) to explain the potential user's behavioural intention to use a technological innovation. TAM is based on the Theory of Reasoned Action (TRA), a psychological theory that seeks to explain behaviour (Fishbein & Ajzen, 1975), and involves two primary predictors - perceived ease of use (PEOU) and perceived usefulness (PU) and the dependent variable behavioural intention (BI), which TRA assumed to be closely linked to actual behaviour.

2. BRIEF REVIEW OF LITERATURE

Jarvenpaa et al. (1999) suggested that reducing the risk associated with buying from an Internet store would increase the probability of a consumer purchasing from it.

Perceived risk has been shown to negatively influence transaction intentions with Web retailers [Featherman et al, Pavlou, 2002]

Chircu, Davis and Kauffman(2000), integrate trust with the model, arguing that trust relates to perceived usefulness and ease of use.

Gefen and Gefen and Straub (1997), also integrate trust, perceived usefulness, and ease of use in the context of e-services.

consumer trust could be described as a function of the degree of risk involved in the situation [Koller, 1998].

Trust is crucial in economic transactions because it reduces the risk of falling victim to opportunistic behavior [Fukuyama(1995), Williamson(1985)].

A Web retailer's reputation is an important antecedent of trust, perceived risk [Doney, Zucker(1986)], and purchase intentions [Jarvenpaa,1999].

According to the fall 2000 Greenfield Online Shopping Index, on-line experience is the strongest indicator of a consumer's likelihood to buy [Romita,2001].

One of the consequences of trust is that it reduces the consumer's perception of risk associated with opportunistic behaviour by the seller [Ganesan, 1994].

Kim and Benbasat [2003] identified four categories of trust related issues: "personal information, product quality and price, customer service, and store presence"

3. OBJECTIVES OF THE STUDY

The Major Objective was to analyze the e-buyers behaviour with web retailing. The other objectives were:

- To study the e-buyers dimensions
- To know the effect of age on identified dimensions of buyers behaviour with web retailing
- To suggest the appropriate strategies to Web Retailers

Hypothesis Formulated

Following hypotheses were formulated for the study and tested at 5% level of significance

H₀₍₁₎ Delighted Buyers e- buying behavior with web retailing is not significantly dependent on age of buyer.

H₀₍₂₎ Information seeker Buyers e- buying behavior with web retailing is not significantly dependent on age of buyer.

H₀₍₃₎ Skeptical Buyers e- buying behavior with web retailing is not significantly dependent on age of buyer.

4. RESEARCH METHODOLOGY

Type of Study: Exploratory in nature.

Type of sampling: Judgemental convenient sampling. (The collected Data Stratified later by age(in yrs) ≤ 35 and >35)

Sample Size: 102 (Four Questionnaire dropped out of 107 collected questionnaire due to insufficient data provided by the respondents)

Data collection tool: Primary data was collected with the help of structured questionnaire Prepared using TRA & TAM scale with additional Items on Buyer behaviour on 1-7 (Strongly disagree to strongly Agree) point likert scale

Tools used for data Analysis: Factor Analysis, Independent sample T test. Data were analyzed with the help of SPSS16.

5. RESULTS AND DISCUSSION

Age profiling of the respondents is given in following table. More than 84% of respondents were below 35 years of age and only 15.7% were in the age group of above 35 years of age.

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		Frequency	Percent	Cumulative Percent
Valid	less than 35	86	84.3	84.3
	>35	16	15.7	100.0
	Total	102	100.0	

Factor analysis was performed using a Principal Component Analysis (PCA) and the Varimax rotation method. The exploratory nature of this study led to the selection of PCA to make the findings more meaningful. Factor analysis has reduces 42 items of questionnaire in to four factors. Four questions were dropped as factor loading was found to be less than 0.3 The results of the factor analysis are given in **Table 1**, which shows that variables are grouped into three factors, with the highest score of each variable given in the bold type face highlighting the membership of each variable within these factors. Total 51 % of variances are explained by these three factors. These extracted three were named as: **Delighted, Information Seeker and Skeptical buyers** with web retailers

Table1. Factor Analysis

	1	2	3
V7	0.734	-3.91E-02	6.13E-02
V8	0.592	0.328	0.268
V9	0.665	0.317	0.202
V10	0.482	0.264	0.47
V11	0.731	0.11	-2.08E-02
V12	0.637	1.58E-03	0.149
V13	0.673	0.131	-3.87E-02
V14	0.697	0.435	5.68E-04
V15	0.63	0.309	0.153
V16	4.26E-02	0.667	8.61E-02
V17	0.173	0.509	0.164
V18	4.89E-02	0.648	-6.26E-02
V19	1.42E-02	0.217	0.61
V20	0.6	0.329	8.74E-02
V21	0.514	0.479	7.69E-02
V22	0.44	0.206	0.279
V23	-0.254	0.143	0.447
V24	0.762	-0.172	8.55E-02
V25	0.815	8.85E-02	2.31E-03
V26	0.788	0.132	7.24E-03
V27	0.118	0.301	0.485
V28	0.1	0.315	0.251
V29	-6.97E-02	0.502	0.182
V30	-1.64E-03	0.187	0.29
V31	0.216	0.412	0.283
V32	0.333	6.87E-02	0.457
V33	0.639	6.71E-02	0.311
V34	0.445	-8.61E-02	0.493
V35	0.618	-0.136	0.313
V36	0.233	8.49E-02	0.47
V37	0.396	3.73E-02	0.582
V38	0.219	0.139	0.162
V39	-5.70E-03	0.283	0.244
V40	-3.28E-03	-8.79E-03	0.251
V41	9.74E-02	9.83E-02	0.472
V42	0.217	0.515	0.101

Delighted Buyers- These buyers intended to use the existing web retailer even in near future, not only they were the frequent buyers with the web retailers but also recommended the use to others as they were satisfied and comfortable with web retailing access and received desired values and thought that these web retailing were functional and trustworthy. Extracted attributes of Delighted buyers are given in **Table 2**

Table 2. *Attributes of Delighted e- Buyers of web retailing*

	Delighted Buyers
frequently used	0.734
intend to use this retailer's Web site	0.592
predict	0.665
near future	0.482
trustworthy	0.731
keeps promises and commitments	0.637
they keep my best interests in mind	0.673
useful	0.697
valuable	0.63
useful to me	0.6
functional	0.514
dependable	0.44
satisfied	0.762
satisfied	0.815
recommend	0.788
desired values	0.639
always comfortable	0.618

Information Seekers – they were influenced by the advertisement but did not take final decisions for web purchasing and were susceptible to friends and relatives suggestion. They believed that the prior knowledge of web purchasing was required and they weighed the other available alternatives before accessing the web retailers. Extracted attributes of Information seeker buyers are given in **Table 3**

Table 3. *Attributes of Information Seeker e- Buyers of web retailing*

	Information seeker
influenced by advertisements	0.667
friends & relatives suggested	0.509
susceptible to the suggestions	0.648
through Internet Access	0.315
I don't take final decision	0.502
over other good alternatives.	0.412
background knowledge of E-purchasing is required.	0.515

Skeptical Buyers – They could be diverted to other websites if the existing web retailer's reputation was at stake and the cost effectiveness is questionable. They believed that a bit risk was associated and it paid them a lot. Usually they thought that if they accessed these web retailers then they would be termed as techno savvy buyers and accessing should be done only in a group. Extracted attributes of Delighted buyers are given in **Table 4**

Table 4. *Attributes of Skeptic e- Buyers of web retailing*

	Skeptical Buyers
diverts my attention to others website.	0.61
bad reputation in the market	0.447
switch over	0.485
this web retailer is cost effective	0.457
sign of techno savvy buyers	0.493

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risk associated	0.47
risk associated & paid me a lot	0.582
access this web retailer in group	0.472

Further the findings revealed that age wise there was no significant difference observed for e- buying behavior of web retailing for Delighted buyers, Information seeker buyers and Skeptical buyers (Table 5). So, hypotheses $H_{0(1)}$, $H_{0(2)}$ and $H_{0(3)}$ were not rejected. The study also revealed that the respondents below 35 years age group were found to be more delighted and more information seeker for e- buying.

Table 5. Age wise T test for e- buying behavior towards web retailing

	T value	df	Sig. (2-tailed)
Delighted Buyers	1.289	100	.200
Information seeker	.889	100	.376
Skeptical Buyers	.404	100	.687

Table 6. Age wise Mean and Standard deviation for e- buying behavior towards web retailing

	Age	N	Mean	Std. Deviation
Delighted Buyers	less than 35	86	4.8824	1.09154
	>35	16	4.4853	1.33509
Information seeker	less than 35	86	4.4718	1.00588
	>35	16	4.2232	1.13565
Skeptical Buyers	less than 35	86	4.2049	.91974
	>35	16	4.1016	1.05200

6. CONCLUSION

This paper integrates two important streams of literature of the theory of reasoned action (TRA) and the technology acceptance model (TAM) with Buyers behaviour items and has explored the useful dimensions of e- buying behavior for web retailing. The study also revealed that the extracted factors of e- buying behavior for web retailing namely **Delighted buyers, Information Seeker and Skeptical buyers** have shown similar influence on different age group of respondents. These explored dimension of e buying behavior can be used an opportunity factor for formulating and developing web retailing strategy by the marketers.

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