

## ANALYSIS OF FACTORS INFLUENCING ONLINE SERVICE BUYERS

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### ABSTRACT

This paper attempts to investigate the factors influencing online service buyers as to buy service online. Similarly, with the help of mean and rank satisfaction level of online buyers also studied in Indian context. Reliability coefficient for the scale was satisfactory and further correspondence analysis is done to study the relation between agreement factors and satisfaction of online buyers. Instrument is executed on 802 samples of Satara District sate Maharashtra India to find out correspondence analysis of online service buyers Managerial implications and measures for improvement are discussed.

### KEYWORDS

Internet, Online Shopping, Correspondence Analysis etc.

### INTRODUCTION

As per the market research firm Forester Research, the present size of the Indian e-commerce market is \$1.6 billion and it is expected to grow to \$3 billion in 3 years and might reach \$15 billion by 2020, where it is expected to contribute 4% of GDP. The key to success in this field will depend on catering to the Indian consumers who connect to the internet via mobile phone because 80 million consumers with personal computers are going to be superseded by 200 million (Forecasted figure with CAGR of 46%) smart phone users by the year 2016. The number of smartphone users in the country over the years is given in the chart below. The number has been increased with a CAGR of 46% in the last 3 years. It can be forecasted that with this growth rate the country is going to have 300 million smart phone users by the year 2017. Said facts leads to questions as - What are factors that motivate online users to avail service online? , Are they satisfied with online services?

### REVIEW OF LITERATURE

Buyer's behavior is influenced by varieties of factors. Again, different behavior is observed at different situation. (Nabil Tamimi, 2004) observed the speed of Internet connection was dependent of the frequency of online shopping. The results demonstrate that higher frequency of online shopping is associated with "broadband" connections. Internet experience and frequency of online shopping are independent of each other. (Gerald L. Lohse, 1999) found that the longer the amount of time spent online, the greater the chance of making a purchase online. The number of email messages per day had the next largest effect on buying behavior. Receiving more email messages is associated with a higher proclivity to buy online. According to (Syed Shah Alam, 2008) user who are having their own internet connection at home lead to the active usage of Internet whereby the average time spends is more than 2 hours. Good web site design influence the young students for online purchase. Online buying was highly influenced by reliability of website of e-retailers, service provided to customers and trust.

(Jarvelainen, 2003) Opines that perceived ease of- use was considered the most important element of the perceived usefulness and Ease of- use construct. He also states that experience mainly influences intention and behavior directly, but also indirectly, mostly through perceived ease-of-use. Similarly (Aron O'Cass, 2003) marked two constructs, perceived usefulness and perceived ease of use mediate all external variables likely to influence an Internet user's (consumer's) decision to use the WEB for purchases. These factors were argued to influence attitude towards the WEB for retailing, and that, attitudes influences actual behavior (adoption versus non-adoption) of using the WEB for retail purchases. The results indicate that the antecedents (Opinion Leadership, Impulsiveness, Shopping Orientation, Web Shopping Compatibility, Internet Self-Efficacy, Perceived Web Security, and Satisfaction with Websites) differentially affects internet user's beliefs (perceived usefulness of the WEB for retail purchases and perceived ease of use of the WEB for retail purchases. Somewhat similar opinion is observed by (Georgd, 2004) that internet trustworthiness beliefs had a significant impact on attitudes. In addition, they give vital importance to that point that organization should not use online buyer's personal information without their permission as it negatively affect the frequency of online buying. Attitudes toward internet purchasing, in turn, affected actual purchasing behavior. Again while talking about perceived usefulness it is observed by (Kuo-Wei Su, 2009) that online shoppers' trust in sellers is positively associated with perceived usefulness, and perceived usefulness is positively associated with their repurchase intentions. Perceived behavioral control is found not to have positive influence on actual online purchasing. This would imply that the internet users will not purchase online unless they are provided with the necessary infrastructures and training involved in actual online purchasing (Mat, 2009).

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Online stores should use effective implementation of website design factors such as information design, visual design and navigation design as marketing tools by which trust in the website can be created and subsequently, purchase intention can be enhanced (Ganguly, 2010).

(Miray Baybars, 2011) extended their views about price discounts in online shopping. He depicts that price discounts seem more crucial for attracting consumers. The member individuals of private shopping platforms are found to be innovative with a significant need for uniqueness. Price discount has a remarkable effect on both consumers' positive attitude toward private shopping and shopping amount. Thus, it could be noted that price discount is the main factor that motivate the consumer purchases.

(Sophia Wang, 2006): Attitude toward online shopping will be not associated with intention to shop online. A potential online consumer's level of Internet knowledge will be positively associated with his or her attitude toward online shopping. The more a potential online consumer searches information from Internet-based sources, the more likely he or she would hold a positive attitude toward online shopping. A potential online consumer has perceived self-efficacy will be positively associated with his or her attitude toward online shopping. A potential online consumer has perceived risk of online shopping will be negatively associated with his or her attitude toward online shopping. Openness to experience will be positively associated with attitude toward online shopping. Risk-taking propensity will be positively associated with attitude toward online shopping (Sophia Wang, 2006).

(Archana Shrivastava, 2011) It is concluded that the motivation to buy online exhibits positive correlation to convenience based pragmatic motivation, time and efforts based pragmatic motivation, search and information based pragmatic motivation, product based motivation, economic motivation, service excellence motivation, situation and hassle reducing motivation, demographic motivation, and social and exogenous motivation have a significant influence on people's intention to reserve railway tickets online in India. (Rastogi, 2010) observed that ratio of male consumers is very high in online shopping. Regarding awareness of online shopping 100% awareness was observed. Employees of various companies are purchasing more than others through online shopping. Maximum numbers of respondents prefers online shopping due to number of reason such easy buying procedures, wide variety of products, lower price of the products, various modes of payments etc. Most of the respondents think that availability of online information's about product & services are excellent. Most of the respondents search and buy online but pay in cash on delivery.

It opine that the most influencing and attractive factor among four factors is website design/features with possibilities following by convenience factor. Time saving and security is also important, particularly the security concerns are very important while shopping online. Most of the respondents are fulfilling that there has no risk in online shopping. Most of the respondent have strongly believe that there has a problem to give the credit/debit card related information because the city where they leave is faced many cases for card related frauds but unfortunately they have known about visa verification password therefore, they agree that online shopping is better than offline shopping.

### **RESEARCH METHODOLOGY**

Study has undertaken with an objectives to find out factors influencing purchase decision regarding e-shopping for online service; and, to find out relation between agreement and satisfaction parameters of online service buyers.

802 samples residing in Satara district of Maharashtra State, India are selected for study using convenient sampling method. Data has collected during November and December of 2013 using structured schedule divided into two parts. All variables in Schedule were considered after review of literature on online shopping by various researchers, including (Mohammad Hossein Moshref Javadi, 2012), (Karayanni, 2003) and (Ting-Peng Liang, 2000).

The first part of schedule includes variables that provide demographic details of samples, which are developed by the researcher. In second parts, variables, which provide list of services that, purchased online and Factors that influence online buyers to shop services online were asked on five point Likert type scale. All those factors were taken from (Mohammad Hossein Moshref Javadi, 2012).

Collected data was analyzed using Mean, Percentage and correspondence analysis.

### **DATA ANALYSIS**

#### ***Agreement Factors that Influence Online Service Buyers***

Following table shows the agreement and satisfaction of samples towards buying online services. Eight parameters were asked to option on five point Likert type scale. 1 for strongly agree and 5 for strongly disagree. The options were analyzed using mean, SD and ranks calculated on mean score as follows:

**Table-1: Factors that Influence Online Buyers**

Sr.	Parameter	Agreement			Satisfaction		
		Mean	S D	Rank	Mean	S D	Rank
1	The information on the online service website was up to date.	4.39	0.750	1	4.38	0.745	1
2	Transaction through online service website is transparent.	4.11	0.863	3	4.24	0.852	3
3	Information presented on website having high degree of Interaction.	4.22	0.865	2	4.12	0.849	2
4	Online service website keeps importance of secure transaction.	4.05	0.930	5	4.09	0.861	5
5	I do not get any busy signal while using service website.	3.77	1.057	8	4.06	0.932	8
6	Information on the online service website was relevant to my purchase decision.	4.07	0.850	4	4.03	0.85	4
7	The online service website provided accurate information.	4.03	0.843	6	3.94	0.953	6
8	Information on the online service website was complete.	3.95	0.939	7	3.76	1.034	7

Sources: Field Data

Table narrates that, online shopping saves time during the purchasing of goods and it can avoid time required to wait in queue in the traditional stores. The respondent experienced the services of shopped online and are strongly agree. They are agreed that the information on the online service website was up to date which has mean value 4.39 and secured 1<sup>st</sup> rank. Followed to these samples agreed Information presented on website having high degree of Interaction, which has meant value 4.22 and secured and secured 2<sup>nd</sup> rank. Also agreed with Transaction through online service website are transparent which gained mean value of 4.39 and ranked 3<sup>rd</sup>. Remaining variables shows mean value less than 4 and more than 3 it means samples are not fully agreed but satisfied with all parameters. The last rank received to the variables that respondent get busy signal while using service website. This is subjective to the web site. Few web sites may have the problem of busy signal. Followed to it samples seems have not satisfied with the information made available on the website since the mean score is 3.95.

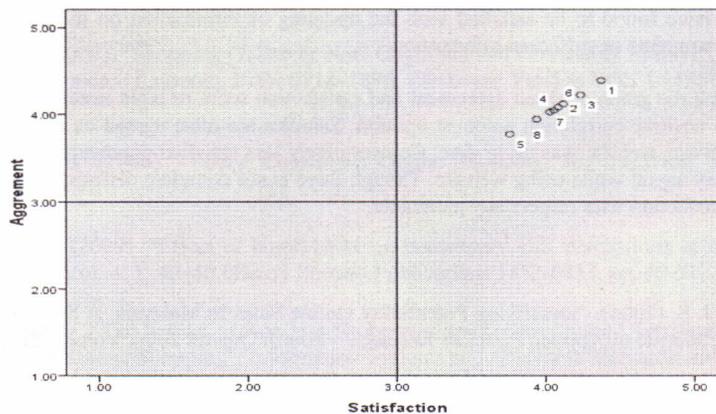
**Satisfaction towards Services Shopped Online**

Table shows the opinions of respondent regarding satisfaction towards services shopped Online. The respondent experienced the services of shopped online and have responded on satisfaction level. They are fully satisfied that the information on the online service website was up to date which has mean 4.38 and secured 1<sup>st</sup> rank. Followed to this they are satisfied 4.23 and secured 2<sup>nd</sup> rank, and also satisfied with the 'transaction through online service website are transparent' which gained mean value of 4.11 and ranked 3<sup>rd</sup>. Remaining variables shows mean value less than 4 and more than 3 it means samples are not fully satisfied but satisfied with all parameters.

**Correspondence Analysis**

Following graph shows agreement and satisfaction towards 8 parameters facilitated to opine on five point Likert type scale. The mean score of opinion has calculated and spread over the graph to find out the position of parameters. On X axis mean satisfaction score by sample samples for 8 statements has given whereas on Y-axis agreement men score on the same statements has given.

**Graph-1: Agreement and Satisfaction towards Parameters of Online Services Shopping**



Sources: Data Analysis

Graph depicts the strong correlation between samples' opinion on agreement correspondence to their satisfaction level with the set of 8 statements depicts parameters, as entire variables found in 1st quarter which depicts high satisfaction and strong agreement and rest of other 3 quadrants are empty which depicts low satisfaction and strong agreement II quadrant, low satisfaction and low agreement level III quadrant and the IV quadrant denotes high satisfaction and low agreement with set statements. Amongst 8 statements 5<sup>th</sup> and 8<sup>th</sup> statements viz. 'I don't get any busy signal while using service website' and 'Information on the online service website was complete' shows less agreement and low satisfaction compared to rest of the six parameters whereas the statement 1 viz. 'The information on the online service website was up to date' shows highest satisfaction and high agreement among the set 8 statements.

Apparently, statement number 1 and 8 talks about information available on the web. Samples have found to be satisfied with the updating of information on the web site but found to be little satisfied with availability of complete or sufficient information.

Analyzing service parameters, the graph of mean agreement and satisfaction score of eight statements talks about the parameters of online shopping revealed positive correlation amongst opinion. The parameter most agreed on and satisfied was that the information on online service website was up to date. Comparatively less satisfied parameters are one is information has not available completely and busy signal while using website. Though there is not complete dissatisfaction regarding any parameters it has not found complete satisfaction with respect any parameter.

#### **FINDINGS AND DISCUSSION**

1. Samples are agreed that the information on the online service website was up to date which has mean value 4.39 and secured 1<sup>st</sup> rank. Followed to this samples agreed Information presented on website having high degree of Interaction which having mean value 4.22 and secured and secured 2<sup>nd</sup> rank. Also agreed with Transaction through online service website are transparent which gained mean value of 4.39 and ranked 3<sup>rd</sup>.
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#### **RECOMMENDATION**

1. Some web retailers may go for increasing their speed of website as Government websites viz. railway reservation, university website shows busy signals, creates difficulties to online buyers regarding online transaction.
2. Web retailer may provide complete information on web site as it may facilitate the online user for online transactions.
3. To motivate online buyers' web retailers may provide user-friendly navigation for their service organizations.

#### **CONCLUSION**

It is observed that samples have found to be satisfied with the updating of information on the web site but found to be little satisfied with availability of complete or sufficient information.

Analyzing service parameters, the graph of mean agreement and satisfaction score of eight statements talks about the parameters of online shopping revealed positive correlation amongst opinion. Samples are most agreed on parameter and satisfied was that the information on online service website was up to date. Comparatively less satisfied parameters are one is information has not available completely and busy signal while using website. Though there is not complete dissatisfaction regarding any parameters it has not found complete satisfaction with respect any parameter.

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