
Determinants of Negative Attitude Towards Online Shopping

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Abstract

On-line shopping has seen a high growth in the last few years. Customers in metro cities as well as in growing cities like Indore have adopted on-line shopping as a way of life. Online shopping is basically the purchase of products and services through the internet medium. A wide range of products and services like air and rail tickets, hotel bookings, flowers, books, dresses, shoes, mobiles etc can be purchased at the click of a mouse. The immense benefits offered by online shopping like convenience, 24 x7 connectivity, wide choice have made it highly popular. However, there is a segment of population who still prefers the traditional shopping mode over online shopping, in spite of the convenience it offers.

The paper first identifies the key determinants of negative attitude towards online shopping. The authors use exploratory factor analysis technique to ascertain the various reasons for a negative attitude towards online shopping. Finally, this paper has given some strategic recommendations for the e-commerce players to successfully market their services to this market segment.

Keywords: *On-Line Shopping, Negative Attitude, E-Commerce.*

Introduction: Businesses have gradually moved from the traditional brick and mortar form to an online form. The growth of communication infrastructure and internet technologies has given rise to E-Business. E-Business or an internet business, may be defined as application of information and communication technology in support of all the activities of business. It is a form of business that involves the buying and selling of product and services over electronic system such as the internet and other computer network. E-business is based on such technologies as electronic funds transfer, supply chain management, internet marketing and online transaction processing. This new mode of marketing has grown by leaps and bounds. Internet has made it so flexible and convenient for companies to approach consumers and vice versa around the clock 24*7. It is used in all industries like hospitality, education, services, banking, entertainment, health, tourism, manufacturing etc. Yet, there is a segment of population who still prefers the traditional shopping mode over online shopping, in spite of the convenience it offers. This segment has a negative attitude towards online shopping.

Attitude is a learned predisposition to behave in a consistently favorable or unfavorable manner with respect to a given object (Schiffman and Kanuk, 2006). Consumer attitudes are a composite of a consumer's (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some object--within the context of marketing. These components are viewed together since they are highly interdependent and together represent

forces that influence how the consumer will react to the object.

Numerous researchers have investigated on-line buying behavior over the past several years. However, little research has addressed negative consumer attitude towards online shopping. The purpose of this research paper is to assess the reasons for negative consumer attitude towards online shopping. We first review background relevant to online shopping. We next develop a questionnaire to collect primary data relevant to the negative attitude towards online shopping. The results of the survey are reported to understand the reasons for this negative attitude and how companies can strategically target this segment.

Literature Review: Shwu-Ing Wu (2003) studied the relationship between consumer characteristics and attitude towards online shopping to examine Internet user concerns and perceptions of online shopping. The attitude of Internet users toward online shopping was measured using the Fishbein model to conclude that the Fishbein model can effectively measure consumer attitudes and the examined consumer characteristics were important influence factors on consumer attitudes and online shopping decisions. Huang and Oppewal (2006) studied consumers' hesitation to shop online. The results show that situational factors affect consumers' shopping channel preference. It was further established that delivery charges are not the most important factor. Demangeot and Broderick (2007) studied consumer behaviour in online shopping environments, that there is

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relationship between sense-making potential and involvement. Furthermore, involvement is essential in producing shopping value and intention to revisit. So customer segments that do not exhibit involvement, probably do not engage in online shopping. Many Internet users expect e-tailers to offer lower prices on products (Hyunwoo and Narushige, 2011). Geng and Zhenyu (2011) researched on reasons for consumers' shopping cart abandonment and concluded that risk and security concerns of customers are major concerns.

Objectives of the Study:

- The main objective of this research is to determine the various barriers to online shopping.
- To determine the major barrier that prevents consumers from online shopping.
- To give strategic recommendations in order to convert non-users of online shopping towards using online shopping.

Data & Research Methodology:

Research Design: The research design chosen for the study is the exploratory research. The study aims to identify the determinants of negative attitude that act as barriers to online shopping.

Data Collection: The data collected for conducting this research is primary in nature. A sample of 200 respondents has been considered through convenient sampling for collecting the data related to the non-usage of online shopping.

The Tools for Data Collection: Data was collected through a self-developed validated questionnaire. The questionnaire was validated by 10 judges who comprised academicians. Respondents were required to indicate the responses on a 5-point Likert scale where 1 stood for strongly disagree and 5 stood for strongly agree.

Data Analysis: Factor analysis has been applied to analyze the data set. The KMO (Kaiser-Meyer-Olkin) test is performed to measure the adequacy of the data set and Bartlett's Test of Sphericity has been considered to examine the appropriateness of factor analysis for the data set. The Bartlett's Test of Sphericity is also performed in order to examine the hypothesis that the variables are uncorrelated in the population.

Results and Discussion: Exploratory factor analysis is used to identify the determinants of negative attitude to online shopping. To identify these perceptions, the following steps were taken:

- Kaiser-Meyer-Olkin Measure of Sampling Adequacy (MSA) for individual variance was studied. The value was 0.839, which is an excellent value. This tests the sampling adequacy and

indicates that the sample is very good enough for sampling (KMO & Barlett's table).

- The overall significance of correlation matrices is tested with Barlett Test of Sphericity providing support for the validity of factor analysis of the data set. The Bartlett's test of sphericity is showing the significance (p-value) 0.000 which is less than 0.05 there on indicating that correlation matrix is significant ((KMO & Barlett's table).

Cronbach's alpha test of reliability value is 0.824. The above standards indicate that the data is suitable for factor analysis. Principal Components Analysis technique was employed for extracting the data, which allowed studying the various determinants of negative attitude to online shopping. The Total Variance Explained table suggests that the 4 factors extracted account for 57.35% of the total variance.

The Rotated Component Matrix indicates the loading on each factor that can be positive or negative. A negative loading indicates that this variable has an inverse relationship with the rest of the factors. The rotation of factors is designed to give an idea of how the factors initially extracted, differ from each other, and to provide a clear picture of which item loads on which factor.

There are four factors extracted in this research, each having an Eigen value exceeding 1. The percentage of variance explained by factor one to factor four are 19.42, 13.11, 12.56 and 12.25 respectively. The four factors that have emerged that describe the determinants of negative attitude are as follows:

- Security concerns
- Complexity of procedure
- Less knowledge
- No experience of internet transactions

Description of the Factors is as Follows:

Security Concerns: This is the first factor that reflects the customers' priority towards the security concern. It includes low speed of internet, time consuming process and delivery time is more. Media has reports regarding online frauds, forgery and thefts, which have resulted in formation of a negative attitude. This factor explains 19.42% variation in the whole model. It is the most prominent factor that forms a negative attitude to online shopping.

Complexity of Procedure: This is the second factor that results in a barrier. This may be named as complex procedures that act as a barrier and creates negative attitude. So the complexity in procedure of online shopping, credit card transactions, complex shopping procedure are also important attributes that prevent from

online shopping. This factor explains 13.113% variation in the whole model.

Less Knowledge: The third factor may be termed as less knowledge as no procedures for guarantee and warrantee and lack of knowledge of the online shopping procedure. This factor explains 12.563% variation in the whole model.

No Experience of Internet Transactions: The fourth factor may be termed as no experience of internet transactions because this factor focuses on the customers' negligible experience of usage of internet for chatting, mails, shopping, return of the items etc. This factor explains 12.256% variation in the whole model.

Conclusion: The data is analyzed for gaining information on various determinants of negative attitude to online shopping. We determined the various factors that discourage customers from online shopping through factor analysis. In this study, the researchers have identified the four factors that are influential in the formation of negative attitude to Online Shopping to be Security concerns, Complexity of procedure, less knowledge and No experience of internet transactions. Security concerns have emerged to be the most important determinant that prevents from online shopping. Online shopping, credit card and debit cards usage, online transactions, shopping procedure all act as barriers that result in the formation of a negative attitude. Low knowledge of the customers regarding online theft, guarantee and warrantee procedures act as a deterrent to try online shopping. Customers have reported reluctance to purchase apparels/footwear/ groceries as they cannot see or feel the products from online shopping. Lack of knowledge of customers regarding return of products purchased through online means, no internet experience and also shipping costs discourage them from online shopping.

Recommendations:

- Companies that provide online shopping must target the segment of non-users as well.
- A demo of the online- transaction can be provided to the customers, to facilitate an understanding of the procedure.
- E-coupons can be launched for the first time users of online shopping. This will induce them towards repeat purchases.

- The websites must clearly give details to customers on assurance for quality and return policy must be clear to customers.
- Online companies must provide 24x7 dedicated customer helpline (toll-free), so that customers can immediately contact the company while facing problems with the transactions.

Research being a human activity is bound by a few limitations. First the study has been conducted only in Indore city. This research can be conducted in other geographical regions of the country. The study has been done on a limited sample size. It can be further researched if the negative attitude towards online shopping varies or is similar across different segments as per age, profession. The results of this study are based on Factor analysis which is a quantitative tool, more details can also be obtained by conducting a qualitative study.

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APPENDIX

Table I: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.839
Bartlett's Test of Sphericity	Approx. Chi-Square	1325.210
	df	136
	Sig.	.000

Table II : Reliability Statistics

Cronbach's Alpha	0.824
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Table III: Rotated Component Matrix

	Component			
	1	2	3	4
security	.827	-.128	.005	.123
price	.767	-.020	.082	.008
speed	.644	.205	.230	.043
time	.596	.197	.170	.262
description of goods	.593	-.102	.392	.204
delivery time	.531	.236	.090	.342
online shopping	-.045	.810	.270	-.113
Credit card	-.039	.713	.011	.244
Shopping procedure	.451	.552	-.071	.205
Information privacy	.341	.486	-.073	.435
Identity theft	.100	.238	.784	-.032
guarantee & warranty	.181	.000	.691	.167
More expenses	.332	-.125	.612	.260
Inability to see product	-.113	.242	.475	.428
Return of items	.149	-.191	.284	.762
experience	.166	.345	.068	.596
Shipping costs	.296	.272	.154	.564

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization
Rotation converged in 13 iterations.

Table-III : Total Variance Explained

(Extraction Method: Principal Component Analysis)

Initial eigen values of Squared Loadings				Extraction Sums		Rotation Sums of Squared Loadings		
Total	% of Variance	Total	% of Variance	Cumulative %		Total	% of Variance	Cumulative %
5.135	30.208	5.135	30.208	30.208		3.302	19.422	19.422
1.984	11.673	1.984	11.673	41.881		2.229	13.113	32.535
1.570	9.233	1.570	9.233	51.114		2.136	12.563	45.098
1.060	6.235	1.060	6.235	57.349		2.083	12.250	57.349
.902	5.308							
.881	5.185							
.729	4.286							
.615	3.616							
.610	3.591							
.583	3.427							
.550	3.235							
.491	2.889							
.435	2.561							
.414	2.435							
.393	2.313							
.364	2.142							