

CUSTOMER PERCEPTION ON THE DRIVERS AND BARRIERS OF ONLINE SHOPPING

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Abstract

Online shopping is one of the most important contributions of the digital revolution. It helps the customers to get connected to the endless number of online dealers and opening unlimited shopping avenues on a 24 x 7 basis. It has brought in changes in the shopping behavior of people as it eliminates the time and place constraints inherent in traditional shopping. Online shopping has been offering cost-effective access to a vast array of products that are delivered to the customers' doorsteps. The study evaluates customers' perceptions regarding the factors that drive them towards online shopping and the barriers that restrict them from online shopping. The perceptual difference is also examined between the two groups. A five point Likert scale is used for data collection and are tested by using Mann Whitney U test. Both online and traditional shopping customers perceive that convenience and lower prices are the primary 'drivers' influencing their shopping choices. However, traditional shoppers acknowledge the concerns about authenticity as a barrier. The absence of physical verification is a limitation perceived by online shoppers. Furthermore, significant differences exist between both the customer groups in their perceptions towards the drivers and barriers of online shopping.

Keywords:- Online Shopping, Barriers, Drivers, Perception, Digital Platforms.

The life style is changing in tune with technological advancement and it is reflected in the shopping behavior of people. Online shopping is one of the most significant contributions of the digital revolution. It has transformed consumer behavior where people purchase goods and services through digital platforms,

which has opened the way for buying from anywhere at any time.

In traditional buying, people had a physical visit at the shops to select the product and make the payment at the counter to get the delivery of the products. This has been replaced by online shopping, where goods are delivered directly to customers' doorsteps without

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making any visit at the shop. Online shopping allows the customers to buy goods directly from sellers on a 24×7 basis. It helps the customers to get connected to the endless and unlimited global market via internet and eliminates the time and place constraints associated with traditional shopping. Online shopping became attractive in terms of its cost-effectiveness, as it cut down the cost of labor and overhead expenses associated with maintaining physical stores. Thus the transition of physical stores to online mode of retailing is becoming a common trend among the retailers. Moreover, it saves time and enables sellers to easily understand consumer behavior and their needs. Customers are attracted towards online shopping due to attractive discounts and offers, not typically found in traditional retail outlets. Online shops also offer a diverse range of products including electronic items, consumer goods, apparels, groceries and household items.

Statement of the Problem

Online stores strive to compete with traditional retail shops in attracting and retaining customers on their platforms. Additionally, they compete each other for gaining more customers, to widen their market share. The buying behavior of customer is shaped by their perceptions on the products and the total benefits that they derive from their purchases. The attractions of online shopping exert much influence on the customer to go for online shopping. Therefore, it is equally important for both online and traditional retailers to elicit the customers' perceptions regarding the factors that attract them towards

online shopping. Similarly, it is essential to explore the reasons why some traditional shoppers keep a distance from online shopping. Sufficient research gap is identified in this area of study. The study aims to assess customers' perceptions regarding the driving factors and barriers that influence the shopping decision of the customers.

Scope and Significance of the Study

In the era of globalization and digitalization, the concept of 'market' is transcending the traditional boundaries. Online shopping is increasingly preferred by customers, leading to continuous expansion of the online market. The widespread use of online platforms by retailers has become integral to supporting their marketing functions. The study is trying to establish the general views of customers regarding the drivers and barriers of online shopping. The scope of the study is extended to both traditional and online customer groups. The findings of the study will assist online shops in crafting effective strategies to attract a larger number of customers to their products. Additionally, it is beneficial for the traditional shops to know the reasons behind the preference for online shopping among consumers. The recommendations outlined in the study offers actionable insights for traditional retailers, encouraging them to consider online marketing channels or adopting a hybrid approach to cater to the evolving consumer preferences.

Objectives of the Study

- To identify the customers' perception on the 'drivers' of online shopping.

- To identify the customers' perception on the 'barriers' of online shopping.
- To analyze the perceptual differences among online and traditional shopping customers on the 'drivers' and 'barriers' of online shopping.

Hypotheses of the Study

In tune with the above objectives, hypotheses have been formulated and tested with appropriate tools for ensuring their statistical significance.

H01. No significant differences exist in the perception on the 'drivers' of online shopping between online and traditional shopping customers.

Ha1. Significant differences exist in the perception on the 'drivers' of online shopping between online and traditional shopping customers.

H02. No significant differences exist in the perception on the 'barriers' of online shopping between online and traditional shopping customers.

Ha2. Significant differences exist in the perception on the 'barriers' of online shopping between online and traditional shopping customers.

Research Methodology

The study is descriptive as well as analytical in nature. Both primary and secondary data were used for the study. The primary data were collected through a survey by using a structured questionnaire, prepared by including relevant variables. The perception of customers on the 'drivers' of online shopping was collected by including five

prominent statements reflecting the benefits on a five point Likert scale. The perception on the 'barriers' of online shopping were also assessed by using five key elements indicating its drawbacks. Data collection is done by administering the questionnaire among online and traditional shopping customers. The secondary data were collected from books, websites, journals, official publications, etc.

Sample Design and data collection

A total of 100 customers were selected from various locations across Kerala, with 50 customers representing the traditional shopping group and 50 representing the online shopping group. Convenient sampling method was used for fixing the sample size and data collection.

Statistical Tools and Techniques

Statistical tools like percentages and arithmetic mean were used for analyzing the data. The perceptual difference between online shopping and traditional shopping, customers on the 'drivers' and 'barriers' were tested by using Mann Whitney *U* test.

Online Shopping: 'Drivers' and 'Barriers'

A customer's perception is significantly influencing the buying decision of a product. The traditional customers buy the products on a shop visit and does the physical buying where as online shoppers do the same via internet. In online shopping, consumers find a product of interest by visiting the website of the retailers directly by using a search engine that gives them attractive offers on

products. Online retailers use shopping cart software to enable customers to select multiple items according to their choices. Purchasing behavior of individuals through online is significantly influenced by their perceptions of its attractiveness or drawbacks. The benefits or the drivers attract customers towards it while the drawbacks or barriers pull them back. Comparing the technical features of products via online is costless, feasible, and easier than traditional channels. Service quality is increasingly recognized as an important aspect of successful e-commerce (Santos, J. 2003). India's e-commerce sector has burgeoned with people of all ages comfortably transacting through online and shop online due to wider range of options and offers (Bhuvaneshwari,A.,S,Irulappan 2022).

Educational attainment is a socio-economic factor influencing online shopping. Website features and product varieties act as significant motivational drivers in online shopping (Jannathul Ferdous., MD Touhidul Alam., Abdulla Mahbub 2022). Online consumers face higher risk of fraudulent practices from unethical merchants since they can't physically inspect the merchandise before purchase. Many consumers wish to avoid spam and telemarketing which creates a need for giving contact information to an online merchant. The convenience of easy searching and purchasing various items from online portals often leads to develop affluent spending habits among people. Timely delivery had the highest impact on customer satisfaction. Various delivery options, messages about the delivery's status and updates on delivery times would enhance customer

satisfaction. (Thabang Excellent Mofokeng, 2021). Product delivery, product variety and product return are indispensable factors in customer service (Arora and Aggarwal, 2018). With the astounding growth of the internet, the potential threats to consumer privacy have grown exponentially (Franzak, F., Pitta, D., and Fritsche, S. 2001). The factors that limits consumers to buy from online sites includes the fear of bank transaction, lack of proper services, inexperience, insecurity, insufficient product information and lack of trust (Daroch, B. Nagrath,G. and Gupta, A , 2021).

Data Analysis and Discussion

In order to fulfill the objectives of the study, relevant data were collected from consumers. The demographic profile of the respondents is given in the following tables.

The respondents (Table 1) comprise equal number of male members and equal number of female members from both the groups.

The table values given (Table 2) states that 24 per cent of the respondents belongs to the age group below 20. Sixty per cent of the online shoppers and 40 per cent of the traditional shoppers are coming under the age group of 20-40.

The table values (Table 3) indicate that 48 per cent of the online shoppers are coming under the monthly income range of twenty thousand and forty thousand. Only 4 per cent of the respondents are coming under the income group having income above sixty thousand rupees. In traditional group of customers, 36 per cent are coming under the group where

Table1

Gender wise Distribution of Customers in Online and Traditional Shopping

Gender	Preferring Online Shopping		Preferring Traditional Shopping	
	No.	%	No.	%
Male	32	64	32	64
Female	18	36	18	36
Total	50	100	50	100

Source: Primary data

Table 2

Age wise Distribution of Customers in Online and Traditional Shopping

Age	Preferring Online Shopping		Preferring Traditional Shopping	
	No.	%	No.	%
Below 20	12	24	12	24
20-40	30	60	20	40
40-60	6	12	10	20
Above 60	2	4	8	16
Total	50	100	50	100

Source: Primary data

Table 3

Income wise Distribution of Customers in Online and Traditional Shopping

Monthly Income(Rs.)	Preferring Online Shopping		Preferring Traditional Shopping	
	No.	%	No.	%
Less than 20000	8	16	18	36
20000-40000	24	48	16	32
40000-60000	16	32	10	20
above 60000	2	4	6	12
Total	50	100	50	100

Source: Primary data

income is below twenty thousand rupees. Twelve per cent of the respondents are coming under income above sixty thousand rupees.

The following tables depict the values of statistical analysis done on the data collected from respondents on their perception of online shopping.

The mean score values (4.43 and 3.20) (Table 4) indicate that customers who prefer both online and traditional shopping agree with the overall benefits of online shopping. This is evident as the combined mean score value for the five variables surpasses 3 in both cases. Therefore, it can be concluded that the factors driving online shopping greatly influence the preference for it. The variable that is most appealing is the 'convenience' offered by online shopping (4.76 and 3.84). Additionally, a low price is also a significant driver that attracts customers towards online shopping, as indicated by mean values of 4.72 and 3.78.

The potential drawbacks of online shopping are together labeled as 'barriers'. This mainly includes the absence of physical examination, inadequate return policies, and concerns about authenticity, discrepancies in color and appearance and insufficient privacy and security measures.

The summated mean score values (4.43 and 3.20) (Table 5) indicate a consensus among both groups regarding the barriers of online shopping, revealed that the overall mean value exceeds the theoretical average of 3 on a 5-point Likert scale. 'Lack of physical examination' before purchasing emerges as the primary barrier (4.48) highlighted by online buyers, whereas 'suspicion over authenticity' stands out as the major barrier (4.32) identified by traditional shoppers.

An analysis of perceptual differences between customers who prefer online and traditional shopping was conducted to highlight any significant disparities in their opinion on the drivers

Table 4
Customer Perception on the Drivers of Online Shopping

Sl. No.	Drivers of online shopping	Online Shopping		Traditional Shopping	
		Customers		Customers	
		N	Mean score	N	Mean score
1	Online shopping is more convenient	50	4.76	50	3.84
2	Offers products at low price	50	4.72	50	3.78
3	Enable comparison	50	4.30	50	2.28
4	Lesser time is required	50	4.30	50	2.86
5	More selection is possible	50	4.10	50	3.24
	Overall perception on drivers(summated mean score values)	50	4.43	50	3.20

Source: Primary data

Table 5
Customer Perception on the Barriers of Online Shopping

Sl. No.	Barriers of Online Shopping	Online Shopping Customers		Traditional Shopping Customers	
		N	Mean score	N	Mean score
1	Lack of physical examination	50	4.48	50	4.12
2	Defective return policy.	50	2.70	50	3.42
3	Suspicion over authenticity	50	3.54	50	4.32
4	Variation in colour and appearance	50	2.04	50	3.92
5	Lack of privacy and security.	50	3.80	50	4.00
	Overall perception on drivers (summed mean score value)	50	4.43	50	3.20

Source: Primary data

Table 6
Customer Perception on the Drivers and Barriers of Online Shopping

Perceived Factors	Customer Groups	N	Mean Rank	Mann-Whitney U Test	
				U	P
Drivers	Online customers	50	71.37	206.50	0.00
	Traditional customers	50	29.63		
Barriers	Online Customers	50	35.17	483.50	0.00
	Traditional customers	50	65.83		

Source: Primary data. Significant at 5% level

and barriers. The Mann-Whitney U test was employed for this analysis. The results of the analysis are presented in the following table.

The mean score values suggest that customers who prefer online shopping perceive the 'drivers' as their primary buying motive, with higher respective mean ranks (71.37), compared to those

preferring traditional shopping (29.63). However, the differences in their perceptions regarding 'drivers' were found to be statistically significant, with a p-value of the Mann-Whitney U test below 0.050. Hence, the null hypothesis (H_{01}) is rejected on the assumption that there is significant differences exist on the 'drivers' of online shopping between the

two groups. The mean score values indicate that customers who prefer traditional shopping perceive the 'barriers' more, as evidenced by their higher respective mean ranks (65.83), compared to those preferring online shopping (35.17). Furthermore, the differences in perception between the two groups were found to be statistically significant, with a p-value of the Mann-Whitney U test below 0.050. This led to the rejection of the null hypothesis (H_{02}) that significant difference exist between online and traditional shopping customer groups in their perception regarding the 'barriers' of online shopping.

Suggestions and Recommendations

Based on the findings of the study, the following recommendations are proposed.

- Many customers are hesitant to do online shopping due to concerns regarding authenticity, security and privacy issues. E-commerce websites should prioritize the implementation of robust e-security measures such as password management tools, fraud detection systems and anti-phishing software. Websites should ensure that only authorized users can access sensitive information.
- The user information regarding privacy terms and conditions should be clearly communicated by the dealer in the website and also try to get the consent of the user whenever possible.
- Using pop-up messages to convey relevant information can effectively

capture users' attention. Communication of accurate and comprehensive information on the website, along with timely updates helps to reduce customer ambiguity regarding product details, payment procedures, delivery, and return policies.

- Make sure that proper product specifications are provided to prevent mismatches and to ensure that customers receive the exact product they need. Including clear product images with accurate color representation can impress the customer's experience during order placement.
- In order to minimize the risk of damage during delivery, ensure that proper packing of the products. Additionally, including a quality assurance certificate can convince the customers on the quality.

Conclusion

Digital revolution has brought significant changes in the shopping behavior of people and that has led to an exponential growth of the e-commerce industry all over the world. The study examined the perceived behavior of both traditional and online customers in their attitude towards the 'drivers' and 'barriers' of online shopping. It also identified that perceived security, timely delivery of product, price offers are significant 'drivers' influencing online buying decision. Lack of physical verification and privacy and security threat are the 'barriers' perceived by consumers in online shopping. The findings of the study suggest that a strategic approach is to be

developed by the online dealers to communicate their shopping attributes to the customers in a proper way. Online

shopping is having an excellent bright future as the whole world is turning digital friendly.

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