



## A STUDY ON CONSUMER PERSPECTIVE TOWARDS ONLINE PURCHASE

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### ABSTRACT :

In today's dynamic commercial landscape, the paradigm shift to online shopping has revolutionized consumer behavior, transforming how individuals interact with retail environments. As the digital realm expands exponentially, understanding consumers' perceptions of online purchases has become imperative for businesses striving to thrive in this ever-evolving market.

Our study delves deeply into the intricate challenges that consumers encounter while navigating the digital marketplace. We meticulously examine the driving forces behind consumer decisions, their nuanced preferences, and the formidable hurdles they confront during online transactions. This comprehensive analysis covers aspects such as the importance of website security, the influence of customer reviews and ratings, and the communication of security measures by online platforms. Additionally, we explore the significant impact of privacy concerns and the types of information consumers seek to protect when making online purchases.

By dissecting the factors that mold consumers' online shopping behavior, businesses can recalibrate their strategies to better align with the evolving demands of their target audience. Understanding these dynamics enables companies to enhance the overall shopping journey, fostering trust and satisfaction among their customers. Our objective is to contribute significantly to this domain by unraveling the intricacies of how consumers dynamically engage with online commerce in today's interconnected global arena. Through our findings, we aim to provide actionable insights that can drive more effective business strategies, ultimately benefiting both consumers and online retailers.

### INTRODUCTION:

In the ever-changing world of commerce, online shopping has changed how consumers shop. As the online world continues to grow, understanding how consumers view online purchases is essential for businesses looking to succeed in this ever-changing marketplace. In this study, we explore the challenges faced by consumers navigating the online marketplace. We look at what motivates consumers, their preferences, and the obstacles they face when purchasing online.

### BACKGROUND OF THE STUDY

This project presents the consumer perspective towards online purchases would typically involve providing context, outlining the relevance of the topic, and highlighting key factors that contribute to the importance of understanding consumer behavior in the online shopping environment.

#### *Reliability and Consumer Satisfaction:*

Investigating the reliability of online platforms and assessing consumer satisfaction levels is crucial. This could involve examining factors such as the accuracy of product descriptions, delivery times, customer service responsiveness, and overall user experience. Surveys, reviews, and feedback from actual consumers can provide valuable insights into their satisfaction and trust in online shopping.

#### *Challenges Faced by Consumers:*

Identify and analyze the challenges that consumers encounter during the online purchasing process. This might include concerns about security, issues with the user interface, problems with the checkout process, or dissatisfaction with the quality of products received. Understanding these challenges can help businesses address specific pain points and enhance the overall online shopping experience.

***Suggestions for Improvement and Consumer Awareness:***

Based on the identified challenges, provide practical suggestions and recommendations for improvement. This could involve proposing solutions to common issues, enhancing website functionality, implementing better security measures, and educating consumers about safe online shopping practices. Creating awareness campaigns can contribute to a more informed and confident online consumer base.

***Impact of Social Media Communities:***

Explore the role of social media in shaping consumer perceptions and behaviors in the realm of online shopping. Investigate how online communities, reviews, and influencers on platforms like Facebook, Instagram, and Twitter impact consumer decision-making. Understanding the social dynamics can help businesses leverage social media for marketing and reputation management.

**OBJECTIVES OF THE STUDY**

- Examine the factors influencing customer trust in online purchases.
- Analyze the effect of delivery speed, reliability, and tracking options on customer satisfaction in online purchases.
- Investigate the challenges and concerns customers face when making online transactions.
- Explore the impact of social media and online communities on influencing online purchase decisions.

**REVIEW OF LITERATURE**

- **Florence Hu Huimin (2013)** investigated the Consumer purchasing process and knowledge flows between individuals in social media, at the same time Considering the different types of proximity that affect it.
- **N.Fortes and P.Rita (2016)** aim to analyze how privacy concerns about the Internet impact consumers' intention to make online purchases.
- **Simona Vinerian et al (2013)** say that social media allows Consumers and prospects to communicate directly with companies or discuss with their friends about the brands. Their study suggests different approaches for online marketers who want to invest in social networking sites to improve their advertisement performance.
- **Pratiksinh S. Vaghela (2014)** based on data analysis it is found that most of the customers perceived that online shopping is more expensive than manual shopping, as it takes more time to deliver the products and they are facing problems while making online purchases.

**HYPOTHESIS OF THE STUDY**

*Examine the factors influencing customer trust in online purchases.*

**Null hypothesis (H0):** There is no significant relationship between the gender of the respondents and the importance of website security while making online purchases.

**Alternative hypothesis (H1):** There is a significant relationship between the gender of the respondents and the importance of website security while making online purchases.

*Investigate the challenges and concerns customers face when making online transactions.*

**Null hypothesis (H0):** There is no significant relationship between the challenges and concerns faced by customers while making online transactions.

**Alternative hypothesis (H1):** There is a significant relationship between the challenges and concerns faced by customers while making online transactions.

**SOURCES OF DATA**

The data collected from both primary and secondary data

**Primary data:** A questionnaire was prepared and administered to 101 respondents.

**Secondary data:** Collected from online journals, websites & review of literature from published articles.

**TOOLS AND TECHNIQUES**

The study utilized a questionnaire as its research instrument for data collection.

This questionnaire was designed in alignment with the study's objectives and was administered to consumers to gather their perspectives. The information was collected using a meticulously structured questionnaire.

## STATISTICAL TOOL

The research has used the following tools

### *Chi-square*

The chi-square test is a statistical method used to determine if there is a significant association between categorical variables. It compares observed frequencies with expected frequencies under the assumption of independence. The test calculates the difference between observed and expected frequencies, squares these differences, and divides by the expected frequency to yield a chi-square statistic. A higher chi-square value indicates a greater deviation from expected frequencies and suggests a stronger association between the variables.

### *Correlation*

Correlation is a statistical measure that indicates the extent to which two variables change together. It quantifies the strength and direction of the linear relationship between two continuous variables. A correlation coefficient ranges from -1 to +1. A positive correlation (close to +1) indicates that as one variable increases, the other variable tends also to increase. A negative correlation (close to -1) indicates that as one variable increases, the other variable tends to decrease. A correlation coefficient close to 0 suggests no linear relationship between the variables. Correlation does not imply causation; it simply indicates the degree of association between two variables.

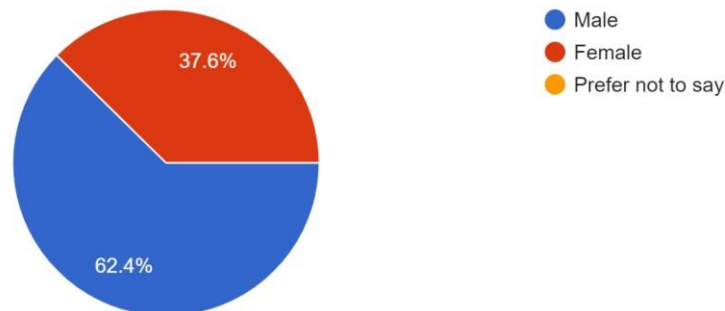
## ANALYSIS AND INTERPRETATION OF THE DATA

**GENDER OF THE RESPONDENTSTABLE NO: 1**

SI.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Male	63	62.4%
2	Female	38	37.6%

### GENDER

101 responses



### INTERPRETATION:

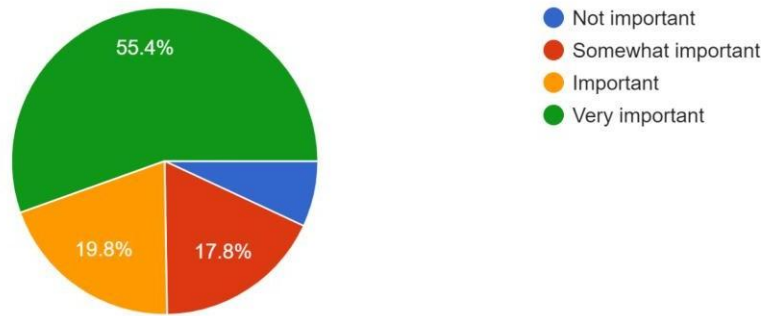
From the above analysis, 62.4% of the respondents are male and 37.6% of the respondents are female.

**IMPORTANCE OF WEBSITE SECURITYTABLE NO: 2**

SI.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Not important	7	6.9%
2	Somewhat important	18	17.8%
3	Important	20	19.8%
4	Very important	56	55.4%

### How important is website security to you when making online purchase?

101 responses



#### INTERPRETATION:

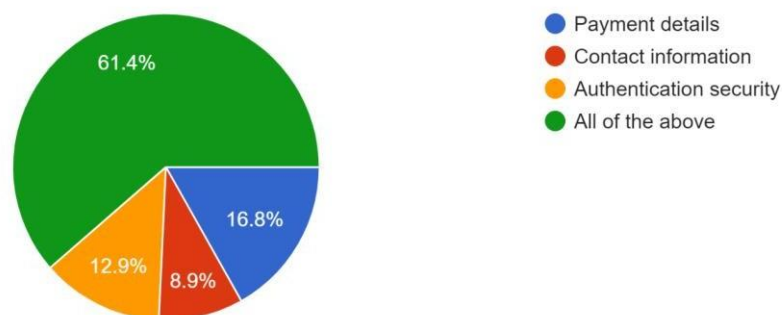
According to the above analysis, 6.9% of the respondents say that website security is not important, 17.8% of the respondents say that website security is somewhat important, 19.8% of the respondents say that website security is important, and 55.4% of the respondents say that website security is critical.

#### INFORMATION PROTECTION TABLE NO: 3

Sl.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Payment details	17	16.8%
2	Contact information	9	8.9%
3	Authentication security	13	12.9%
4	All the above	62	61.4%

### what type of information you are particularly concerned protecting during online transactions?

101 responses



#### INTERPRETATION:

From the above analysis, 16.8% of the respondents are concerned about their payment details, 8.9% of the respondents are concerned about their contact information, 12.9% of the respondents are concerned about their authentication security and 61.4% of the respondents are concerned about all the security features.

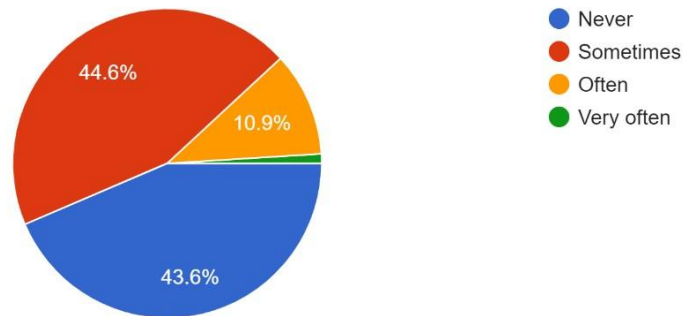
#### ENCOUNTERED ANY SECURITY ISSUES DURING ONLINE TRANSACTION TABLE NO: 4

S.NO	PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
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1	Never	44	44.6%
2	Sometimes	45	43.6%
3	Often	11	10.9%
4	Very often	1	0.9%

Have you ever encountered any security issues or breaches during online transactions?

101 responses



#### INTERPRETATION:

According to the above analysis, 44.6% of the respondents never encountered any issues during an online transaction, 43.6% of the respondents sometimes encountered issues during an online transaction, 10.9% of the respondents often encountered issues during an online transaction and 0.9% of the respondents very often encountered issues during an online transaction.

#### CHI-SQUARE

O	E	$\frac{(O - E)^2}{E}$
7	4.36	1.59
13	11.22	0.28
8	12.47	1.60
35	34.93	0.000140
5	6.77	0.46
12	7.52	2.66
21	21.06	0.00017

$$\text{Chi square} = \frac{(O - E)^2}{E}$$

Degree of freedom = (R-1) × (C-1) = 3 Level of significance = 0.005

The calculated value is 6.59031.

The table value is. 7.81

## INFERENCE

Therefore, the calculated value is 6.59031 is less than the table value of 7.81. So, accept H<sub>0</sub>. Hence proved that there is no significant relationship between the gender of the respondents and the importance of website security while making online purchases.

## CORRELATION

X	Y	$x = X - \bar{X}$	$y = Y - \bar{Y}$	X <sup>2</sup>	Y <sup>2</sup>	XY
17	44	-8.25	18.75	68.0625	351.5625	-154.6875
9	45	-16.25	19.75	264.0625	390.0625	-320.9375
13	11	-12.25	-14.25	150.0625	203.0625	174.5625
62	1	36.75	-24.25	1350.5625	588.0625	-891.1875
<b>101</b>	<b>101</b>	<b>0</b>	<b>0</b>	<b>1832.75</b>	<b>1532.75</b>	<b>-1192.25</b>

$$r = \frac{N \sum xy - \sum x \sum y}{\sqrt{N \sum x^2 - (\sum x)^2} \sqrt{N \sum y^2 - (\sum y)^2}}$$

$$= \frac{4(-1192.25) - 0}{\sqrt{4(1832.75) - 0} \sqrt{4(1532.75) - 0}}$$

$$= \frac{-477}{\sqrt{7331} \sqrt{6131}}$$

$$= \frac{-477}{85.621 * 78.300}$$

$$= \frac{-477}{6704.1243}$$

$$r = -0.0711$$

## INFERENCE

1 indicates a perfect positive correlation, (-1) indicates a perfect negative correlation, and 0 indicates no correlation. That is, if the correlation coefficient is greater than zero, it is a positive relationship. Conversely, if the value is less than zero, it is a negative relationship.

Therefore, a correlation coefficient of -0.0711 indicates a negative correlation between the information concerned during an online transaction and any security issues during an online transaction.

## KEY FINDINGS

- The concern for website security is high, with most respondents checking security features.
- Delivery expectations vary, with concerns leading to some abandonment of online purchases.
- Social media influence is significant in decision-making, as is the importance of product information.
- They prioritize checking all security features and consider website security critical.
- A significant portion somewhat abandons online purchases due to delivery issues.
- Respondents are influenced by product reviews and tracking features.

## CONCLUSION

The findings of the research provide valuable insights into the preferences, behaviors, and challenges faced by consumers in Chennai regarding online shopping. Here's a conclusion based on the research findings

In conclusion, the study emphasizes the critical role of trust, security, user experience, product information, customer support, and social influence in shaping consumer perspectives toward online purchases. By implementing the suggested strategies and addressing the key findings, online retailers can enhance customer trust, satisfaction, and loyalty, ultimately driving growth and success in the e-commerce landscape.

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1. Hu, Florence Huimin and Wei, Gao, "The Impact of Knowledge Sharing In Social Media On Consumer Behaviour" (2013). *ICEB 2013 Proceedings (Singapore)*.
2. Fortes, N., & Rita, P. (2016). Privacy concerns and online purchasing behavior: Towards an integrated model. *European Research on Management and Business Economics*.