

# Factors Influencing Consumers Attitude Towards Online Shopping In Koteswori, Nepal

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**Abstract**— Online shopping is a growing area of technology. In Nepal, e-commerce is currently experiencing a period of rapid development; the large number of Internet users provides a good foundation for the expansion of the online shopping market. In this study, price, convenience, time saving, website design and security were used for analysis. This research was conducted by using the primary data source, and the survey method was employed in the research. This research found that there were relationships between the price, convenience, time saving, website design, security and consumers' attitude to adopting online shopping in Nepal.

**Index Terms**— online shopping, consumer attitude, the price, convenience, time saving, website design, security

## I. INTRODUCTION

Internet shopping has become a Popular way for buyers. Internet shopping is the process of buying goods and services from merchants who sell on the online. Online shopping allows buyers to buy sooner, more choices and can order products and services with comparative reasonable price (Cuneyt & Gautam, 2004) . E-commerce is a tool for reducing administrative costs and cycle time, streamlining business process, and improving relationships with business partners and customers (Charles, 1998). This new advanced pattern of shopping not only brings a wide range of products to consumers; it also deals a huge market and several business opportunities. In the past twenty years, the rapid growth of the Internet and the geometric development of the Internet users. Although the number of Asian Internet users was the maximum in the world, the Internet penetration rate of Asia was lower than elsewhere. The penetration rate of Internet users in Asia was just higher than Africa, as at 30 June 2010, according to the Internet World Statistics (2010). The highest was North America with a penetration rate of 77.4%.online shopping has extent of changes in the attitude and behavior of people all over the world. The tremendous change that was brought by the World Wide Web, which has entered every corner of the world. Due to this blessing, online shopping has emerged which influenced the lives of normal citizens. Online shopping has also been started in Nepal, but users are not much habituated yet to go online shopping commonly. Thus, the purpose of this study is to investigate the relationship between independent variables such as price, convenience, website design, time saving and security with the consumers attitude towards online shopping. This study is undertaken to understand the behavior of online shoppers through a self-constructed questionnaire of 50 respondents from Koteswori which is situated in Kathmandu city.

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## II. LITERATURE REVIEW

### 2.1 Consumers' Attitude on Online Shopping

Consumers' attitude is a directly affect the consumers' purchasing behaviour. Fishbein and Ajzen (1975) define attitude towards a behaviour as a person's evaluation of a specified behaviour involving an object or outcome. Ajzen and Fishbein, (1980) has been found that attitude towards a behavior to be strongly related to a particular behavior . Jarvenpaa and Todd (1997) developed a model of attitudes and shopping intention towards online shopping .This model includes numerous indicators that can be categorized into four classifications: the value of the product, the shopping experience, the quality of service provided by e-shop and the risk perceptions of online retail shopping. Vellido, Lisboa and Meehan (2000) summarized quite a few factors relating to consumers' perception of online shopping. The factors of risk perception of users, convenience of online shopping, control over, affordability of goods, ease of use of the shopping site, and customer service were included.

### 2.2The Factors of Consumers purchasing Decision

There are many factors that influence and effect customers in related to how consumers make purchasing decision. The purchasing decision process starts long before actual purchase and continues long after. Usually in more routine purchase, consumers often reserves or skip independent factors in this study.

#### 2.2.1. Price

Price was a main factors for consumers online shopping (Heim and Sinha, 2011).However, Li et. al, (1999) said that often online consumers were not price-sensitive, cause of these shoppers price comparisons among different e-retailers on each product was time-consuming and the price difference was very Minor. Pricing factors will also contribute to the shopping accessibility, price perception is positively and strongly correlated with shopping conveniences (Jiang and Rosenbloom, 2005). Similarly agreed by Jayawardhena and Wright (2009) buyers who value ease can get the benefits of products and services with less money spent and this would have a positive relationships with consumers excitement; increasing search efficiency by removing travelling costs and psychological costs brings closeness in online-shopping.

#### 2.2.2.Convenience

Convenience factor refers that it is easy to or search the information through online is easier than the traditional retail shopping. Through online, customers can easily search product catalogue but if the consumers look generally for the same product or item in a traditional store manually it is difficult to visit physically and time consuming also. Convenience has always been a prime factor for consumers to shop online. Darian (1987) mention that online shoppers carry multiple benefits in terms of convenience, such as less time consuming, flexibility, very less physical effort etc.

**2.2.3. Time saving**

Time savings is one of most prompting factors of E- shopping. Purchaser can save time and can reduce effort by shopping online. According to Corbett (2001) time saving is not the motivating factor for the consumers to shop online because it takes time receiving goods or delivery. Rohm and Swaminathan’s (2004) concluded that E- shopping saves time during the purchasing of goods and it can remove the traveling time required to go to the old-style store. On the other side, some respondents consider that it is also time taken for delivery of goods or service over online shopping. Additionally, Morganosky and Cude (2000) have concluded that time saving factor was reported to be primary reason among those consumers who have already experienced the online grocery buying. So the significance of the time saving factor cannot be neglected.

**2.2.4. Website Design**

Website design is one of the main influencing factors of E-shopping. Liang and Lai (2000) stated that Web design quality has significant impacts on buyers choice of electronic stores. Kamariah and Salwani (2005) said the higher website quality, the higher consumer intends to shop from internet. A study conducted by Yasmin and Nik (2010) demonstrated a significant relationship between online shopping activity and website features. According to Zhang et al (1999) Website design features can be considered as a motivational factor that can create positive or negative feelings with a website.

**2.2.5. Security**

Security is another influencing factor which affects shoppers to shop online. However many internet users avoid online shopping because of credit card fraud, privacy factors, non delivery risk, post purchase service and so on. According to Bhatnagar and Ghose (2004) Security is one of the element which limits buying on the web as they claim that there is a large sector of internet shoppers who don’t like to buy online because of their thinking about the security of their sensitive information. Cuneyt & Gautam, (2004) stated that belief in the online shopping with advanced technology, and frequent online shopping to the internet being secured as a trustworthy shopping channel. Security was a main successful factor for e-commerce.

Based on the the previous studies, the hypothesis was then developed

H1: Price and attitude of adopting online shopping are deemed to be positively correlated

H2: Convenience and attitude of adopting online shopping are deemed to be positively correlated.

H3: Website design and attitude of adopting online shopping are deemed to be positively correlated.

H4: Time saving and attitude of adopting online shopping are deemed to be positively correlated.

H5: Security has a significant positive impact on the consumers’ attitude to adopt online purchase.

**III. RESEARCH METHODOLOGY**

**3.1. Questionnaire Development and Measurement**

The relationship between the price, convenience, time saving, website design, security and consumers’ attitude to adopting online shopping intention was investigated. The quantitative survey method was conducted by distributing the questionnaires to both male and female equally participate in

the study. The questionnaire was divided into two parts. Part A was proposed to collect the respondents’ demographic information such as gender, age, level of education, monthly income level of the respondent. A total of four questions were included in this part.

Part B included 17 questions, which were separated into six categories in terms of the independent variables and dependent variable. The respondents were required to provide their rating on their perception using a five-point Likert Scale measurement that ranged from 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree.

**3.2. Samples and Data Collection Procedures :** The non-probability sampling technique was used for conducting the sampling process and the convenience sampling technique was used in this research. In order to avoid respondents’ misunderstanding, the questionnaire for this study was translated into Nepali. The target respondents of this survey were the people of Koteshwor area ,Nepal.who have done shopping through online. Among the population, the sampling frame were most of the youths as they tend to spend more time on internet and have more knowledge to use it. A convenience sampling is a method used by selecting those people as respondents who are easy to reach. Convenience is one of the main types of non-probability sampling method. Additionally, cluster sampling was used for the study, as it geographically focused on Koteshwor area. The sample size for the study was 50 people from Koteshwor area who have previously purchased goods from online. Both male and female equally participate in the study. Majority of the respondents were from age group 20-30 with the bachelor’s level of education with them. The primary focus of data collection was on primary data i.e. self-administered questionnaires. The questionnaires prepared were provided to the sample population by asking them to fill it.

**IV. DATA ANALYSIS TOOLS**

Data collected from the respondent was categorized and summarized. Data was mainly arranged in spreadsheet. Tables and figures were used for presenting data. Descriptive statistics like percentage and mean was used mainly as necessary. SPSS software was used for descriptive analysis, correlation analysis, and test hypothesis.

**V. ANALYSIS AND FINDINGS**

**5.1. Reliability Analysis**

**Table 1 Summary of reliability Test**

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
<b>Price</b>	0.75	0.75	3
<b>Convenience</b>	0.79	0.79	3
<b>Website Design</b>	0.89	0.89	3
<b>Time Saving</b>	0.86	0.86	3
<b>Security</b>	0.62	0.62	3

**According to** Sekaran (2000) Cronbach’s Alpha coefficient less than 0.6 are considered poor. Greater than 0.6 are considered acceptable and greater than 0.8 are considered good. **Table 1** shows the cronbach’s alpha coefficient of the

questionnaires asked to respondents, which is above 0.6 which means the reliability of the instrument used is acceptable and good. Consistency of all variables (price, convenience, time saving, website design, security and consumers' attitude) indicated that all items remained good with the internal consistency ranges from 0 to 1. Subsequently, all indicators were used for data collection.

### 5.2. Descriptive Analysis

**Table 2 Summary of Descriptive Finding**

Variables	Opinion Statements	N	Mean	Remarks
<b>Price</b>	Price is appropriate and reasonable	50.00	2.64	Disagree
	Reduces monetary cost	50.00	2.8	Disagree
	More expensive than sold in retail store	50.00	2.82	Disagree
	Price	50.00	2.75	
<b>Convenience</b>	Detail information is available	50.00	2.84	Disagree
	Easy to choose and make comparison	50.00	2.86	Disagree
	Easy to return product	50.00	2.14	Disagree
	<b>Convenience</b>	50.00	2.61	
	Help in searching product easily	50.00	3.14	Agree
<b>Website Design</b>	Help in selecting right product	50.00	3.18	Agree
	Familiarity reduce risk	50.00	2.84	Disagree
	<b>Website Design</b>	50.00	3.05	
<b>Time saving</b>	Less time to purchase	50.00	3.28	Agree
	On time delivery	50.00	2.66	Disagree
	Great advantage to shop online	50.00	3.52	Agree
	Time Saving	50.00	3.15	
<b>Security</b>	Safe and secure	50.00	2.84	Disagree
	Secured as traditional shopping	50.00	2.92	Disagree
	Hesitate to give credit card number	50.00	2.62	Disagree
	<b>Security</b>	50.00	2.79	

Table 2 shows that descriptive analysis of price, Convenience, time saving, website design and security while shopping online. In the table all the factors have scored mean value less than 3.00 and this represents price is not appropriate and reasonable in online shopping, online shopping does not reduce the monetary cost of traditional shopping and products in online shopping are more expensive than sold in retail store. Convenience while shopping online all the factors have scored mean value less than 3.00 and this represents detail information is not available in online shopping, products in online shopping is not easy to choose and make comparison and products in online shopping are easy to return. Descriptive analysis of website design factor of online

shopping customers towards purchase decision. In the table 2.8, 1<sup>st</sup> and 2<sup>nd</sup> opinions scored mean value above 3.00 which implies that website design influenced towards online shopping in searching and selecting right products easily among customers of Koteshwor. Similarly, 3<sup>rd</sup> opinion scored mean value less than 3.00 which implies that familiarity with website does not reduce risk from online shopping. Time saving factor of online shopping customers towards purchase decision opinions scored mean value above 3.00 which implies that online shopping customers agreed on it takes less time and it is great advantage to shop anytime online. Similarly, 2<sup>nd</sup> opinion scored mean value less than 3.00 which implies that there is no on time delivery of products in online shopping. security factor of online shopping customers towards purchase decision 1<sup>st</sup> and 3<sup>rd</sup> opinions scored mean value above 3.00 which implies that online shopping customers agreed on it takes less time and it is great advantage to shop anytime online. Similarly, 2<sup>nd</sup> opinion scored mean value less than 3.00 which implies that there is no on time delivery of products in online shopping. Thus, it shows that the respondents have different point of view regarding the studied variables.

### 5.3. Correlation Analysis

**Table 3 Correlation Analysis of dependent an independent variables**

		Price	Convenience	Website Design	Time Saving	Security
Price	Pearson Correlation	1.000	.718**	.792**	.845**	.761**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	50.000	50.000	50.000	50.000	50.000
Convenience	Pearson Correlation	.718**	1.000	.650**	.690**	.623**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	50.000	50.000	50.000	50.000	50.000
Website Design	Pearson Correlation	.792**	.650**	1.000	.822**	.679**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	50.000	50.000	50.000	50.000	50.000
Time Saving	Pearson Correlation	.845**	.690**	.822**	1.000	.615**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	50.000	50.000	50.000	50.000	50.000
Security	Pearson Correlation	.761**	.623**	.679**	.615**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	50.000	50.000	50.000	50.000	50.000

\*\* Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows correlation analysis between independent variables i.e. price, convenience, website design, time saving and security that influence the dependent variable i.e. consumer's attitude towards online shopping. The table shows positive correlation between the variables. The correlation between the variables is above moderate and strong type of relation. Among the correlation of the variables, the strong positive correlation was between price and time saving i.e. .845. It means there is significant relationship between price and time saving variable. The

correlation value between price with other variables i.e. convenience, website design, time saving and security was .718, .792, .845, and .761 which show strong positive relationship between the variables. Similarly, the correlation value of convenience with other variable i.e. website design, time saving and security was .650, .690, .623 respectively which show that there were moderate type of positive relationship between the variables. In the same way, the correlation value of website design with other variable i.e. time saving and security was .822, .679 respectively which show that there was strong positive relationship between website design and time saving while there was moderate positive relationship between website design and security variable. Finally, the correlation value between time saving and security was .615 which shows that there was positive relationship between these variables.

### VI. DISCUSSION AND CONCLUSION

The findings showed that the most attractive factors among five factors is time saving with average score of 3.15, following website design that is most attractive factors with average score 3.05, security with average score 2.79, price with average score 2.75 and convenience with average score 2.61 is also important. This research has shown that all the independent variables price, time saving, Convenience, web design and security studied had positive correlated with the dependent factor online shopping decision. It also provides guideline for future research to concentrate on the strengths and terminate the weaknesses. As with any studies, there are some drawbacks in this research such as the sample chosen was limited to only one area Koteswor, Nepal.

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