DISCRIMINATION FACTORS ON THE PREFERENCE OF ONLINE SHOPPING AMONG THE USERS AND NON USERS WITH SPECIAL REFERENCE TO KANCHIPURAM DISTRICT

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ABSTRACT

Consumer sovereignty is the important element in the process of every consumption happens in the day to day life of consumers. But the method and sources of consumption differ among the consumers based on their personal, cultural, economic and environmental backgrounds. In present day consumption world, the penetration of technology and communication & digitization, the process of consumption has been reshaped by the marketers and accepted by consumers. In this aspect, the impetus of digital marketing and on line buying plays a predominant role. The preference of consumers during the initial stage of on line consumption was restricted with selected product and services, but in present day, the profound promotion of on line marketing by both manufacturers and retailers, given ample space for every product that can be sold through on line. The preference of consumers also changed in the aspect of trusting and buying through on line process. The initial stage of E- commerce and business promoted only on line marketing and where in which at present the inclusion of intermediaries like whole seller, distributor and retailers to the digital economy given reasonable space for on line shopping. In addition to that, the wide spread of digital technology through advancements like net and mobile shopping application bases also influx the consumers to prefer on line shopping. But at the same time, country like India, still the preference of on line shopping has not taken real shape due to the socio economic backgrounds of consumers, environmental influences and so on. In this aspect, the necessity has been realized to know the discrimination factors for the preference of on line shopping by users and non preference by non users. By keeping this specific study gap, the research paper has been attempted.

1.1. INTRODUCTION

Consumption is the indispensable element in every human life. The pattern and elements of consumptions are provided either by nature or by market. The consumption happens through natural provisions are not measured by utility value by consumers and it also does not look for economic and preservation value, but whereas the consumption happens through acquiring product and services through markets seek utility value in terms of form, place and time. It also motivates consumers to set the balancing equation of customer value

to customer cost. The equilibrium of value to cost leads to customer satisfaction. But the attainment of equilibrium in terms of cost and value towards satisfaction is not only covering the product and its elements, it also include price, promotion, place and other benefits. The compensatory rules employed by every consumers while acquire products and services from the market counts every single attributes which delivers add on value to them. According to Holbrook (1994) Customer value is "the fundamental basis for all marketing activity and the high value is one primary motivation for customer patronage. The studies undertaken by Sirdeshmukh, Singh, and Sabol (2002) describe that customer value is a super ordinate goal and customer loyalty is a subordinate goal, as it is a behavioral intention. According to goal and action identity theories, a super ordinate goal is likely to regulate subordinate goals. Thus customer value regulates "behavioral intentions of loyalty toward the service provider as long as such relational exchanges provide superior value". The ideology of providing additional values to the customers in terms of product attributes, pricing methods, promotional tools, delivery system and packaging identity by manufacturers and marketers are followed by the intermediaries like whole seller, distributors and retailers. The changes in the socio economic background of consumers, environmental influences, entry of multinational promoters are also add better market structure in present day market system. In this aspect, the role of technology, communication and media explosion play a predominant role in present day market situation especially on the distribution and delivery. The profound selling system, the entry of corporate in retail business invoke the advent western technology to Asian markets, in this aspect, India is a country where the perceived values on consumption are given due importance by consumers has been taken as an add on advantage by marketers especially multinational promoters for promoting digital marketing in a better way. The initiation of digital marketing by manufacturers and promoters are rightly followed by retailers and where they try to involve every consumer in India to look for the benefits of on line shopping. During the period of last decade, the introduction of digitization on E-Commerce has been taken complete sphere in E-Business and where in which on line marketing is extended to on line shopping. But at the same time, it is noteworthy to reveal the growth of retailing in India especially in terms of organized retailing in all sphere of selling and buying given way for the in depth promotion of on line shopping. According to Accel Report, in 2012, the average physical goods ecommerce order value was Rs, 1080, which

increased to Rs. 1860 in 2013. By 2016, it is expected to nearly double to Rs. 3,600. The report also indicates that online shopping of physical goods in India will grow to $8.58 billion in 2016. The number of online shoppers in India wills more than double to 40 million. But at the same time, the preferences of on line shopping by the Indian consumers are influenced by their socio-economic background. In this aspect, the personal factors like age, gender, education, life style, family status, the physical factors like ability to travel, preference of spending on searching cost in terms of energy value, psychological factors like attitude and perception about on line shopping, trust and belief, status of loyalty and usage value. In addition to that the infrastructural background of possessing net facility, house pattern, power supply and net speed also have an impact. The other side of the coin in terms of socio economy background also includes the literacy of internet usage, transaction pattern. In this aspect, the demarcation arises on the preference and non preference of on line shopping by users and non users. For Internet buyers, gender, marital status, residential location, age, education, and household income are frequently found to be important predictors of Internet purchasing (Fram & Grady, 1997; Kunz, 1997; Mehta & Sivadas, 1995; Sultan & Henrichs, 2000). But at the same time, the growing young population in India and their preference of buying through on line will be a fruitful market outcome for online shoppers. But at the same time, the role of non users needed to be studied about the intricacy factors about their non usage, since the estimated digital India should need more usage value through on line. By understanding this controversy about the usage and non usage among the users and non users towards on line shopping in general and identifying the factors discriminating the users to use and non users to avoid on line shopping, the comprehensive studies are required.

1.2.STATEMENT OF THE STUDY PROBLEM

The promotion of products and services ranging from non durable to durables and luxuries are promoted in a profound way through on line by the marketers and retailers in present day economic situation. In addition to that, the consumers also prefer to buy through on line due to the major reasons of time and cost. The changes in consumption pattern and utility value – expectation also give ample space for the promotion of line shopping. In addition to that, the emergence of private and outsourced on line promoters, via media for shopping and shoppers, the entry of corporate giants in on line shopping mediating business shows a positive market structure for

on line shopping. The expansion of on line shopping promotion from product to service also motivates them on line shoppers to prefer on line shopping. The advent of on line shopping through mobile application and technology ideally replace the net technology where in which consumers find enhanced shopping values and it also induces additional users from different age groups and occupants. But at the same time, there are crucial factors which differentiate and use or avoid of on line shopping by consumers as user and non users. There are various studies have been undertaken to know the factors influencing or restricting among the users of on line shopping, but there are very few amount of studies have been undertaken so far to explore the discrimination factors for using or not using on line shopping among the users and non users with respect to their socio economic background and the present study aim to address the gap.

1.3.SIGNIFICANCE OF THE STUDY

Majority of the studies undertaken about usage rate of on line shopping among the consumers in shown a steeper increase in India. In addition to that, the number of users of net and mobile for on line shopping with reference to their socio economic background in Kanchipuram is augmenting steadily. But at the same, it is the District in which still the majority of shopping also done through traditional physical presence, the equation of mixture of using and non using on line shopping at various places in the study location motivated the study to understand the discrimination factors of on line shopping and direct shopping among the users and non users.

1.4.LITERATURE REVIEW

Internet and on line shopping has become an indispensable element in the buying process of modern consumers. It is observed from the study of Barnes, 2013,Portas, 2011 and Monsuwé *et al.*, 2004) that the rise of technology and the popularity of the internet could be involved. Technology is an "exhilarating revolution" it has changed the way individuals communicate and purchase; the expectations of society have been transformed (De Kare- Silver, 2011). The development in technology including computers, the internet, smart phones and tablets, allow consumers to access information wherever and whenever, whilst marketing messages can be targeted effectively and consistently 24 hours a day, seven days a week (Baker, 2003). According to Wolfinbarger and Gilly (1999), consumers make online shopping for both goal - oriented and experiential reasons, but goal -oriented motives are more common among online shoppers than are experiential motives. Greenfield Online suggested

that online shoppers like to use Internet shopping because of its convenience and timesaving. This report found that convenience-oriented consumers prefer to buy on the Internet and experience-oriented consumers don't. Li et al. (1999) proposed that frequent Web buyers are higher in the convenience orientation but lower in the experiential orientations than occasional Web buyers and no differences were assumed in the recreational orientation and the economy orientation. Demography (age, gender, profession, education etc) affect how technology is used (Zmud, 1989; Assael, 1981). Hence, it's important to study the impact of demographic variables on online shopping. The socio-economic status of early adopters is higher than late adopters (Rogers, 1995). Men and women also differ in their attitudes toward e-shopping. Traditional Indian women regard shopping as a social release. In most of the families, women are the chief decision makers (Dholakia, 1999). However, online stores also have disadvantages compare to brick-and-mortar stores. In online stores customers can't have any sense about the product they see in the internet (seeing, touching, tasting, smelling, and hearing) as they search for and purchase products. In online stores, consumers may develop low trust and perceive elevated risk highly because of the lack of face-to-face communication. Although this difficulty can be reduced by using certain software tools such as the online recommendation agent (Häubl and Murray, 2003; Xiao and Benbasat, 2007) and the online negotiation agent (Huang and Sycara, 2002; Huang and Lin, 2007

1.5.OBJECTIVES

1. To describe the demographic background of users and non users of on line shopping.
2. To view the opinion of users and non users about the categories in which on line shopping can be done
3. To explore the discrimination factors for using and non using on shopping in terms of preference among the users and non users towards on line shopping

1.6.SCOPE OF THE STUDY

The present study has been done at selected location in Kanchipuram. The study also covered selected rural locations and which are close to cities or towns. The study included the different age group, gender, educational background, income group, marital status, nature of family and occupation. The study addressed the major issues of on line shopping among the users. The study covered the opinion of non users about on line shopping. The study attempted to know from the background of users and non users about the categories

prefer to buy and suggest buying through on line shopping by exploring the reasons cited by them. In addition to that the study focused the crucial part of the topic on identifying the factors of discrimination among the users and non users of on line shopping in terms of their preferences. Attempts have been made to provide suggestion to overcome the barriers of non users to prefer on line shopping on selected dimensions.

1.7.RESEARCH METHODOLOGY

The present study has been carried out in the selected locations in and around at Kanchipuram District. Before to undertake the study, a comprehensive pilot study was undertaken in order to verify the amount of studies undertaken in the avenue. The pilot study done through interaction with shoppers, users, academician, web centres, out sourcing agents and some of the promoters (intermediaries) of on line web sites helped to arrive the gap of the study about the exploring and learning about the crucial factors of discrimination about the preference of on line shopping and restrictions for non using among the users and non users. The research design of the present study is exploratory cum descriptive in nature. The exploratory part of understanding the discrimination factors were identified through semi- structured questionnaire and unstructured interactions among the users and non users. In continuation of exploration, the identified discriminated factors for the preference and non preference were tested for its significance among the users and non users based on their socio economic background and where in which the study was descriptive in nature. The study population comprised among the user and non users of on line shopping among the consumer groups in selected study locations covering cities, towns and rural destinations in Kanchipuram. The study used both secondary and primary data sources. The secondary data sources obtained through net resources about the on line shopping, trends, usage volume, factors influencing on line shopping, gap identification and so on. The primary data were collected from the users and non users of on line shopping through questionnaire. The first phase of the study used informal interactions among the respondents in order to explore the discrimination factors of using and not using on line shopping. The second phase used structured questionnaire about the identified factors along with socio economic background of respondents included users and non users of on line shopping. The pilot testing of questionnaire was carried out among the selected respondents for its validity and reliability. The reliability of scaling was found to be around 82 percent. The users' category of on line shopping also

restricted with specific product categories like textile, personal care products, decorative items and books. The judgmental sampling was used during the first phase of the study. The second phase used convenience sampling for collecting the primary data. The collected data were verified for its exploration through mean value analysis, factor analysis and discriminatory analysis.

1.8.LIMITATIONS OF THE STUDY

1. The study was carried out in the selected locations in and around at Kanchipuram District.
2. The respondents selected for the study belong to users and non users categories were selected through judgmental and convenience sampling sources.
3. Regarding the preference of on line shopping among the users related to selected categories of products were considered and which was identified through latest statistical reports.

1.9.RESULTS AND DISCUSSION

The description of socio economic background of users and non users of on line shopping in the selected study location has been shown in Table 1, regarding the age background of users and non users, in the age group of above 40 have 28 percent of users and 38 percent of non users and in the age group of 31 to 44 have equal 44 percent of users and non users in the category of male users are more than non users and in female non users are slightly more than users. 90 percent of married respondents are non users and which is 87 percent among users. The major users group is less than 20,000 income and non users are same in the income group around 35 percent.

Regarding the location background, rural users are more than non users. In the selected study location users belong to the category of employed in government sectors and non users belong to private sector. The nuclear family uses more than joint family. Both school level and graduates use on line shopping compare to others and the same in case of non users based on their educational background.

The table 2 shows the mean values of factors explored about the preference of on line shopping among users and non users. The responses were obtained from the users and non users (user =64 and non user =71) about their preference of explored factors related to preference and restriction about on line shopping. The responses were measured in interval scale (1= very low, 2= low, 3 = medium, 4= High and 5= Very High). The outcome of responses was calculated for its mean values

among the users and non users. The difference in the obtained mean values was calculated. The mean differences which are above 0.4 were taken as important variable towards the preference and non preference of on line shopping among the users and non users. In this aspect, the factors like time saving, any time shopping, level of risk, Possibility of Frustration, on delivery and lead time, Feeling of physical evidence and atmospheric, Fear of duplication and adulteration and Hidden cost and price complexity were explored as crucial variables for preference and non preference of on line shopping among the users and non users. The obtained variables again taken for data reduction through factor analysis. The table 3 (b) shows the data reduction factors obtained through factor analysis, the explored factors through mean difference analysis were categorized under three categories through factor analysis, the factor 1 comprises of Hidden cost and price complexity, fear of duplication and on delivery & lead time were grouped as cost and delivery factor, factor 2 comprises of time saving and possibility of frustration which is labeled as time bounded factor, factor 3 comprise of any time shopping and feeling of physical evidence and atmospheric are grouped as promotional factors. The reduced factors which are grouped under 3 categories were further taken for factor on discrimination through discriminatory analysis and which is shown in Table 4(c). Since the value of Wilks lambda .815 at 1 percent level of significance, the discriminate function is reliable and significant (Table 4(b)). The outcome of discriminatory analysis shows there are two important factors namely possibility of frustration (non users) and any time shopping (users) are the major factor of discrimination of on line shopping among the users and non users (Table 4 (c) The details of analysis background related to socio economic background wise users and non users, factor analysis and discrimination analysis are given in the annexure.

1.10.CONCLUSION

The present day scenario has brought huge differences in the shopping behavior of consumers. The shopping process employed by consumers in current market conditions make them to look for add on services during the time of shopping, in addition to that the consumers need to reduce their searching cost, time and comparison pattern while do shopping. In this aspect, the advent of net, mobile and satellite backgrounds are giving sophisticated buying process by consuming less energy, time and comprehensive comparison. The inception of on line shopping also paves the way for modified buying pattern for shopping among the consumers, but the basic

infrastructural requirements, cost involved, time period, trust and belief are the factors make the consumers to completely prefer on line shopping. In this aspect, the consumer segments are forced to demarcate themselves as users and non users during the time of employing on line shopping for varieties of products and services. The present study was carried out by keeping the focus of exploring the factors for discriminating the users from non users towards on line shopping. In order to undertake the study, the selected product categories and varieties were considered. The study was also carried out in the location of Kanchipuram District among 150 sample size. The explored factors were reduced for factor categories and the same was discriminated for understanding the discrimination between users and non users for preference and non preference of on line shopping. The study also viewed the socio economic background of both users and non users in the selected study location. The outcome of present study will be useful to verifying the segment wise discrimination factors for preference of on line shopping among users and non preference of on line shopping among non users. The study will be useful for testing the significance and insignificance in the preference among users based on their personal and environmental backgrounds.

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ANNEXURE

Table 1-Socio- Economic Profile of Users and Non Users of On line Shopping

Factor	Classification	User		Non User	
		Number of Respondents	Percentage	Number of Respondents	Percentage
Age	Less than 30	18	28	13	18
	31 to 40	28	44	31	44
	Above 40	18	28	27	38
Gender	Male	25	39	27	38
	Female	39	61	44	62
Marital Status	Single	8	13	7	10
	Married	56	87	64	90
Income	Not applicable	14	22	17	24
	Less than 20,000	19	30	25	35
	20001 to 25000	16	25	17	24
	Above 25000	15	23	12	17
Location	Urban	33	47	36	51
	Rural	31	53	35	49
Occupation	Students	15	23	17	24
	Employed in government	18	28	15	21
	Employed in private	12	19	17	24
	Self employed	8	13	14	20
	Others	11	17	8	1
Nature of Family	Nuclear	37	58	40	56
	Joint	27	42	31	44
Educational Background	Illiterate	3	5	5	7
	School Education	24	38	26	37
	Graduation	19	31	26	37
	PG	8	13	3	4
	Technical Education	8	13	9	13
	Professional	2	3	2	2

Source: Computed Primary Data

Table 2 Exploration of Factors Influencing/Restricting On line shopping among Users and Non Users

Sl.No	Factors	On line shopping User (N=135) Mean Value	On line shopping non User (N=135) Mean Value	Mean Difference
1	**Time Saving**	2.70	3.23	**0.53**
2	**Any Time Shopping**	2.80	2.30	**0.5**
3	**Level of Risk**	2.98	2.54	**0.44**
4	Availability of Models and Varieties	2.78	2.68	0.1
5	**Possibility of Frustration**	3.41	2.75	**0.66**
6	Pricing and Ranges	2.48	2.77	0.29
7	Protection of Secrecy and Privacy	2.67	2.97	0.3
8	On delivery and lead time	2.48	3.00	**0.52**
9	Better to Traditional Shopping	2.95	2.90	0.05
10	Availability of Information and References	2.47	2.52	0.05
11	Scope for Product Comparison	2.91	2.92	0.01
12	Product sourcing and searching time	2.88	2.89	0.01
13	Safety and navigation to trace the products	2.89	2.83	0.06
14	Product and brand range	2.73	2.75	0.02
15	Familiarity and reliability of surfing sources and websites	2.94	2.65	0.29
16	Quality of information and truthfulness	2.95	2.90	0.05
17	**Feeling of physical evidence and atmospheric**	2.42	2.85	**0.43**
18	**Fear of duplication and adulteration**	2.61	3.04	**0.43**
19	**Hidden cost and price complexity**	2.61	3.07	**0.46**
20	Ability to avail internet through computer and mobile	2.88	2.89	0.01
21	Transaction formalities and subjective norms	2.95	2.90	0.05
22	Category display and explosion	2.95	2.90	0.05
23	Psychological barrier and habituated traditional buying	2.78	2.68	0.1
24	Feeling on lack of product touch and verifications	2.62	2.70	0.08

Source: Computed Primary Data

Factor Analysis:-

Table 3 (a)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.525
Bartlett's Test of Sphericity	Approx. Chi-Square	141.774
	df	21
	Sig.	.000

Source: Computed Primary Data

Table 3(b)

Rotated Component Matrix[a]			
	Component		
	1	2	3
Time Saving	-.159	.788	.242
Any Time Shopping	.039	.103	-.777
Possibility of Frustration	-.248	-.739	.194
On delivery and lead time	.708	.299	-.034
Feeling of physical evidence and atmospheric	.151	.150	.772
Fear of duplication and adulteration	.718	-.204	.155
Hidden cost and price complexity	.902	.055	.006
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Source: Computed Primary Data

Discriminant Analysis:-

Table 4(a)

Tests of Equality of Group Means					
	Wilks' Lambda	F	df1	df2	Sig.
Time Saving	.963	5.179	1	133	.024
Any Time Shopping	.951	6.807	1	133	.010
Level of Risk	.972	3.882	1	133	.051
Possibility of Frustration	.936	9.069	1	133	.003
On delivery and lead time	.952	6.687	1	133	.011
Feeling of physical evidence and atmospheric	.968	4.383	1	133	.038
Fear of duplication and adulteration	.973	3.677	1	133	.057
Hidden cost and price complexity	.961	5.350	1	133	.022

Source: Computed Primary Data

Table 4(b)

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.815	26.351	8	.001

Source: Computed Primary Data

Table 4 (c)

Structure Matrix	
	Function
	1
Possibility of Frustration	.549
Any Time Shopping	.475
On delivery and lead time	-.471
Hidden cost and price complexity	-.421
Time Saving	-.414
Feeling of physical evidence and atmospheric	-.381
Level of Risk	.359
Fear of duplication and adulteration	-.349
Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions Variables ordered by absolute size of correlation within function.	

Source: Computed Primary Data

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