

Chapter 3

Perception and Intention of Youth's Towards Online Shopping: An Empirical Assessment

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ABSTRACT

This study aims to investigate youth consumer's perception and intention towards online shopping through integration of technological acceptance model (TAM). Data were collected from 263 young people residing in Bhubaneswar city of Odisha, a state in the eastern region of India through a structured questionnaire during May/June 2015. The structural Equation modeling was employed to analyze the data and validate the research model. The results of this study indicated that different perception variables have different relationships with behavioral intention of youths towards online shopping. The results from this study will be useful for e-commerce companies in formulating appropriate marketing strategies, as well as developing appropriate applications that will attract more consumers by increasing their benefit perception. This study is confined to the response of 263 young people residing in Bhubaneswar city of Odisha. In future of similar types of study may be conducted in either part of the state as well as country with a relatively larger sample size including customers from different age groups. Although past literatures have focused on technological aspects of online shopping, few studies have examined the perception and intention of youth towards online shopping. Furthermore, most studies on online shopping perception have focused on the relationships between technology adoption factors and perception of users. This study provides a basis for further refinement of TAM model to predict behavioral intentions of consumers towards online shopping.

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INTRODUCTION

With the advancement in information and communication technology, online shopping has emerged as one of the growing business models and has attracted the attention of both business and researchers. Its role is turning very significant as it allows consumers to access shopping facilities 24 hours a day, while allowing the vendors to reduce their cost. Online shopping sites are also valuable retail outlets due to their wide domestic and global reach, low cost, innovation on continuous basis, and order taking and customer feedback facilities (Eroglu et al., 2001). However, unlike the traditional rock & brick retail stores, inability to interact with a salesman and the goods, as well as the confidence on electronic payment methods increase perceived risk with regard to online shopping (Casalo' et al., 2007). Thus, despite of its advantages, the online shopping has not spread in fact as it was expected. The traditional retail stores are still the leading channels in retail industry representing an improper diffusion of online shopping in the society.

In the last decade plethora of research has been conducted to explore the adoption of online shopping, testing a series of factors considered to be essential for improved diffusion. Some studies have analysed technological characteristics such as usefulness, ease of use and security (Davis, 1989; Yu et al., 2005), others focus on the emotions and experiences of users (Agarwal and Prasad, 2000; Fiore and Kim, 2007). The technology acceptance model (TAM) (Davis, 1989) is widely used to explain individuals' intentions and actual use of information technology (IT). The primary interface for customers to purchase products and services online is the web site, a form of IT. Accordingly, online shopping behaviour can be partially explained by the TAM.

This study aims to investigate the consumer's perception and intention towards online shopping through integration of technological acceptance model (TAM). Youth are of particular interest, because it has been noted that these typically early adopter of innovative products, which eventually filters through to older age groups.

Conceptual Background

Online Shopping

Online shopping is defined as a channel whereby the consumers interact with a retailer through internet using a laptop or Personal computer. In that sense it can be seen as a subset of e-commerce with its own unique characteristics. In the literature there are several recent studies focused on online shopping adoption. As per the study conducted by Tonita et al. (2004) using the constructs of the Technology Acceptance Model (TAM) as a basis revealed that attitudes toward online shopping and intention to shop online are not only affected by ease of use, usefulness, and enjoyment, but also by perceived risk in online shopping. Jayawardhena et al., (2007) conducted a study to examine the purchase intentions of online retail consumers and findings of this study indicates that consumer purchase orientations in both the traditional world and on the Internet are largely similar.

Koufaris et. al (2001) studied Consumer Behavior in Web-Based Commerce with an objective to design electronic systems and interactions that retain customers and increase sales. Findings of this study indicate that perceived control and shopping enjoyment can increase the intention customers. This study also revealed that a Web store that utilizes value-added search mechanisms and presents a positively challenging experience can increase customers' shopping enjoyment. Rezaei et al (2010)

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