



Consumer's Perception Towards Online Shopping with Special Reference to Srinagar-Garhwal, Uttarakhand

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Abstract: In recent years, the marketplace has undergone significant transformations, largely driven by advancements in technological infrastructure. The rapid growth of E-commerce has profoundly altered consumer purchasing behaviors and patterns, offering unparalleled convenience, access to a wide variety of products, and competitive pricing. Understanding these shifts in consumer behavior is essential for businesses aiming to gain a competitive edge in this fast-evolving landscape. Although numerous studies have been conducted in this area, ongoing research is crucial due to the constantly changing environment; failing to do so may result in businesses facing financial losses or even closure. Therefore, continuously studying consumer behavior in such a dynamic context is imperative. This research investigates the impact of Perceived Benefit (PB) and Electronic Word of Mouth (EWoM) on consumer perceptions of online shopping. To achieve this, primary data is collected through a structured questionnaire. The data is gathered from 250 respondents in the city of Srinagar-Garhwal, Uttarakhand, using simple random sampling to ensure equal opportunity for participation. Correlation and regression analyses are employed to assess the strength of the relationships between Perceived Benefits (PB), EWoM, and consumer perceptions towards online shopping. Additionally, t-tests and p-values are used to determine the significance of individual predictors (PB and EWoM), while F-statistics are utilized to evaluate the overall significance of the regression model. The study concludes that Perceived Benefits (PB) are strongly correlated with consumer perceptions, with PB emerging as the primary driver in shaping consumer attitudes. While EWoM also influences consumer perceptions, its impact is not as substantial as that of PB. To boost sales and maximize profits, businesses should focus on enhancing overall customer service and encouraging satisfied customers to share their positive experiences. This approach will likely strengthen consumer perceptions and drive more favorable outcomes in the competitive online marketplace.

Keywords: E-commerce • UPI • Market segment • Market demand • Perceived benefits (PB) • EWoM

Introduction

In recent years, world has witnessed the radical changes in the field of commerce. Electronic commerce, popularly known as E-commerce, can be defined as the digital buying and selling of goods, enhancing inventory management, order fulfillment, and distribution through real-time data and automation, while leveraging data analytics to analyze customer behavior, presume demand and raise operational efficiency. With rapid growth of E-commerce, the market has shifted from offline to

online. The major difference between offline and online markets is the personal touch of the consumer. Online shopping has vanquished the problems faced by consumers during offline shopping. For instance, rather than visiting multiple shops to compare prices and depends upon handouts, consumer is able to explore different products without visiting the shop physically. Internet has provided consumers with the gateway to uncover the digital world, boosting the economy through services like e- banking, mobile-banking and other



payment facilities such as unique payment transfer. The comfort of E-commerce has not only transferred consumers' habits but also transformed the environment in which business functions. Businesses now focus on strengthening their online market presence through advanced websites and mobile applications which provide flawless user experiences. Moreover, global reach of E-commerce has expanded the business boundaries and provides scope for expansion, resources and a large market segment. As many people are engaged in social media platforms like Instagram and Facebook, these platforms play a key role in the development of the E-commerce industry in India. Businesses advertise on social media to position their products or services effectively. Online shopping offers several advantages, including convenience, a variety of products at reasonable prices, and easy exchanges. However, we can't ignore its disadvantages, e-commerce fraud in India such as counterfeit products, fake listings, data breaches, and scams are commonly seen. Major platforms faced such challenges, forced them to improve security measures.

The main objective of the study is to understand consumer behavior, specifically factors which

influence purchase decisions the most and how significantly each factor impacts consumer choices. Consumer behavior can be defined as the factors which help consumers while making a purchase decision of product or services; whereas consumer perception involves how consumers analyze and form opinions regarding the product and services. This study provides valuable insights for businesses and marketing agencies, helping them develop effective policies and make informed decisions to achieve organizational goals. Additionally, the study offers a detailed understanding of market demands and product preferences, which can benefit startups seeking a first-mover advantage. It also highlights problems consumers face during online shopping, allowing businesses to improve their customer service and gain a competitive edge.

The study focuses on Perceived Benefits (PB) and EWoM. How these factors affects consumer's perception towards online shopping. To know the impact of these constituents, hypothesis is framed and different statistical tools are used. The data is collected from Srinagar-Garhwal, Uttarakhand (Figure 1).

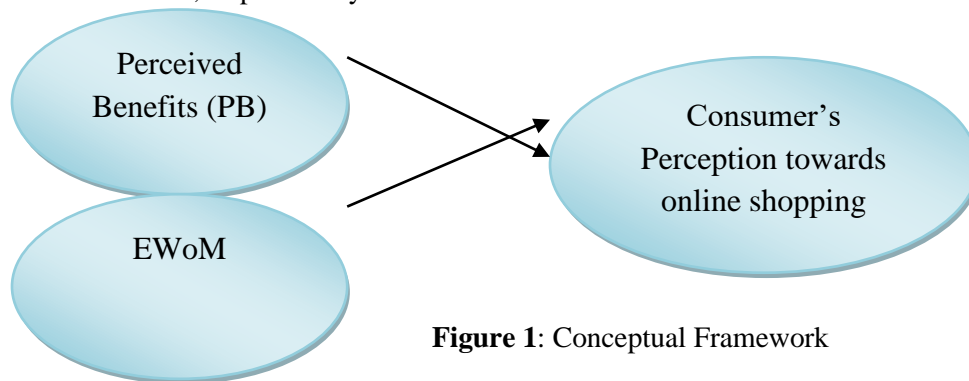


Figure 1: Conceptual Framework

Literature Review

Singh (2018) finds that respondents aged 36-45 years are the main adopters of online shopping. More males are adopters compared to females. The adopters are mostly graduates with a monthly income ranging between ₹20,000 and ₹30,000. He also describes four factors to understand the various

reasons for the adoption and non-adoption of online shopping: Price Consciousness, Convenience and Variety, Easy Payment Options, and Challenges of Online Shopping.

Sathiyaraj et al (2015) find in their research that most respondents shop online once a month. They also discover that 55% of respondents believed



online shopping is not beneficial. Additionally, they identify factors that could be advantageous for consumers shopping for groceries online, such as availability of a variety of products in one place.

Sharma et al (2024) conclude that security and privacy, perceived notoriety, affinity for trust, web design, brand/website recognition, and experience with web usage are significant determinants of trust in online shopping. They also conclude that a consumer's personality impacts how confident they feel about making purchases via internet.

Hariramani (2020) Identifies six major factors: Advertisement & Promotional Strategies (AP), Fun & Lifestyle (FL), Social & Rational Buying (SRB), Convenience & Time Saving (CTS), Technical Knowledge & Product Comparison (TP), and Customized Offers & Consumer Commitment (COCC). Among these, Social & Rational Buying (SRB) is found to be the most important factor affecting consumers' perceptions of online shopping and their overall satisfaction levels derive from online shopping.

Gaurav and Jhansi (2018) concluded that customer service, convenience, experience, value-added services, and product-related information are key factors in understanding consumer behavior towards online shopping. They also find that security concerns, trust, and safety are other factors that negatively influence consumer behavior. However, there is a positive response from all the respondents, indicating the growing share of the online market in India.

Suganya et al (2022) find that regardless of age and educational qualifications, people prefer branded products. Among all the respondents, most use online shopping and prefer branded products over cheaper or unbranded ones. Sometimes, they switch brands due to high discount offers and attractive schemes. She also concludes that there is no relationship between age or educational qualification and the decision to choose a brand of product.

Mokha and Kaur (2023) find that consumer convenience is a key factor in understanding

consumer behavior. Home delivery and exchange policies are key services that enhance consumer convenience. Another important factor in understanding consumer behavior is congruence. Additionally, shopping enjoyment, browsing enjoyment, value consciousness, price consciousness, and risk are other factors that also have a significant impact on consumer behavior.

Tripathi and Dubey (2023) conduct a study on higher education students' perceptions of online shopping and find that convenience and accessibility are key factors highlighting the importance of easy access to online shopping for this age group. Time management challenges and peer influence are recognized as influencing factors, indicating that students' busy schedules and social connections impact their online shopping decisions.

Bhagat (2023) finds that males are engaging in online shopping more than females, and the age group of 19-25, primarily students, is more involved in online shopping compared to other age groups. Social media plays a key role in influencing online shopping, as people are increasingly engaged with social media. Free shipping, offers, and product reviews also play significant role in shaping consumers' perceptions. However, it also concludes that there is no association between gender and overall experience.

Mehta and Rami (2023) conclude that respondents prefer online shopping over physical shopping. They identify seven factors in their research, with the most influential being convenience, follow by perceived usefulness, website quality, after-sales service, and time saving. It is also found that most consumers prefer convenience goods and use Google as their search engine for online shopping.

Objective and Hypothesis

Hypothesis

H1: Perceived Benefit (PB) significantly affects the perception of consumer towards online shopping

H2: E Word of Mouth significantly affects the perception of consumer towards online shopping



Objective

1. To find out the impact of Perceived Benefit (PB) on consumer's perception towards online shopping.
2. To find out the impact of EWoM on consumer's perception towards online shopping.

Research Methodology

For the study Quantitative research design has been used to analyse the relationship between perceived benefits (PB), electronic Word of Mouth (EWoM), and online purchase (OP). Respondents from Srinagar-Garhwal, Uttarakhand has been targeted to gather responses, the structured questionnaire is prepared for this purpose. Correlation Analysis is used to measure the strength and direction of the relationship between Perceived benefits (PB), electronic Word of Mouth (EWoM), and online purchase (OP). The correlation matrix provides an insight into the linear relationship between these variables, with particular focus on the strength of these correlations. Regression Analysis is conducted to determine the impact of Perceived benefits (PB) and electronic Word of Mouth (EWoM) on online purchase (OP).

Hypotheses Tested:

H1: Perceived Benefit (PB) has a significant positive impact on Online Purchase (OP).

H2: Electronic Word of Mouth (EWoM) has a significant positive impact on Online Purchase (OP).

The study first used correlation analysis which is used to identify the strength and direction of the relationship between two variables, such as Perceived Benefits (PB), Electronic Word of Mouth (EWoM), and Online Purchases (OP). Next, the study used regression analysis to assess the relationships exist and to quantify the predictive power and individual influence of PB and EWoM on OP

The regression model is evaluated using several metrics t-values and p-values. The model is used to

test the significance of the individual predictors (Perceived benefits and electronic Word of Mouth). R-squared and Adjusted R-squared: these values are calculated to assess the proportion of variance in OP explained by the model. F-statistic is also used to test the overall significance of the regression model. The reason to choose correlation to understand how Perceived benefits (PB) and electronic Word of Mouth (EWoM) relate to Online Purchase (OP). Regression analysis is employed to determine the impact of independent variables (Perceived benefits and electronic Word of Mouth) on the dependent variable (Online purchase). This goes beyond correlation by allowing predictions and quantifying the contribution of each independent variable to changes in the dependent variable.

Data collection: In this study, we use primary data and structured questionnaire is prepared to measure respondents' perception of benefits, their electronic Word of Mouth (EWoM), and their online purchase behaviour. The survey also collects demographic information of respondents' to understand sample profile.

Sampling method: A simple random sampling is used.

Sample size: The data is collected from 250 respondents from Srinagar-Garhwal, Uttarakhand. The reason to choose this specific region is that Srinagar-Garhwal has two national important universities as a result it provide unique demographic mix and making it a suitable location to capture diverse consumer perceptions and experiences with online shopping. Though the Srinagar is based on hilly areas of Uttarakhand but has diverse population.

Variables: Perceived Benefit (PB) refers to extent to which consumers find online shopping enjoyable. It is an independent variable.

Electronic Word of Mouth (EWoM) measures the influence of reviews and recommendation on respondents' buying decision. It is also an independent variable.



Consumer’s perception towards online shopping is dependent variable.

Results and Discussion

The current research interprets the results through examining the correlation and regression of the variables. The Table-2 records the correlation between the variables, in which perceived benefits (PB) is perfectly correlated with itself (correlation=1). The demographic profile of the respondents reveals that the gender distribution is nearly equal, with 49.6% males and 50.4% females. In terms of education, 23.6% have completed high school, 36% secondary education, 33.2% hold a bachelor's degree, and 7.2% have a master's degree.

The majority of respondents (53.6%) are aged between 21-25 years, followed by 26.8% below 20 years and 19.6% between 26-30 years. Regarding monthly income, 24% earn less than ₹25,000, 32% earn between ₹25,000-₹50,000, 28% between ₹50,001-₹1,00,000, and 16% earn above ₹1,00,000. Employment status shows that 24% are employed full-time, 36% part-time, 12% self-employed, 16% unemployed, and 12% are students.

Next, the electronic Word of Mouth (EWoM) has moderated positive correlation with PB (Correlation =0.513). Lastly Online purchase (OP) mean shows a strong positive correlation with electronic Word of Mouth (EWoM) (Correlation=0.513).

Table 1: Demographic profile of the respondents

	Frequency	Percentage
Gender		
Male	124	49.6
Female	126	50.4
Total	250	100
Educational Level		
High School	59	23.6
Secondary	90	36
Bachelor	83	33.2
Master	18	7.2
Total	250	100
Age		
Below-20	67	26.8
21-25	134	53.6
26-30	49	19.6
Total	250	100
Monthly income range		
Less than ₹25,000	60	24.0%
₹25,000 - ₹50,000	80	32.0%
₹50,001 - ₹1,00,000	70	28.0%
Above ₹1,00,000	40	16.0%
Total	250	100%
Current employment status		
Employed full-time	60	24.0%
Employed part-time	90	36.0%



Self-employed	30	12.0%
Unemployed	40	16.0%
Student	30	12.0%

Further, the study depicts the heatmap that visually presents the correlation matrix between these variables Perceived benefits (PB), electronic Word of Mouth (EWoM) and Online purchase (OP) which allows the quick identification of the strength and direction of linkages between variables using a color-coded scale. In this case, the red shades indicate stronger positive correlations, while lighter shades show weaker correlations. The heatmap

provides a visual, intuitive understanding of relationships to improve interpretability. The color scale on right indicates the strengths and direction of the correlation, in which the dark red define the strong positive correlation close to 1, while the lighter shades show moderate and weak relationship between the variables. Lastly, blue shows the negative relationship between variables. (Figure 2).

Table 2: Correlation Matrix of variables

	PB	EWoM	OP
PB	1	0.515	0.719
EWoM	0.515	1	0.513
OP	0.719	0.513	1

Note: PB is Perceived Benefit (PB), (EWoM) is electronic Word of Mouth and (OP) is Online Purchases.

After calculating the correlation between the variables, the study provides the regression analysis. The table 3 shows the results of regression analysis in which the study assess the impact between the variables. In the table, we report the results of regression, in which we first report the results of Perceived benefits (PB) and Online Purchase (OP). The hypothesis PB→OP in which the t value of PE is 18.33 and the p value is 0.00. Next, the second hypothesis is electronic Word of Mouth (EWoM) and OP which has t value of 5.77 and p value of 0.00. T-values and p-values measure the significance of variables in a regression model, with lower p-values (typically < 0.05) that represents a variable has a statistically significant effect. Next, R-squared

explained how much of the variance in the dependent variable is defined by the independent variables and a higher R-squared directs a better model fit. The results of both hypotheses validate the relationship among the variables. Lastly, the study report the model summary in which the value of R squared is 5.46, the value of adjusted R squared is 5.44 which are within the suggested range and (Table 4) indicates that 54.6% of the variance in the dependent variable (online purchase behavior) is explained by the independent variables (Perceived Benefits and Electronic Word of Mouth). This suggests a moderate fit, with 45.4% of the variance remaining unexplained and validates that the model has the significant relationship.

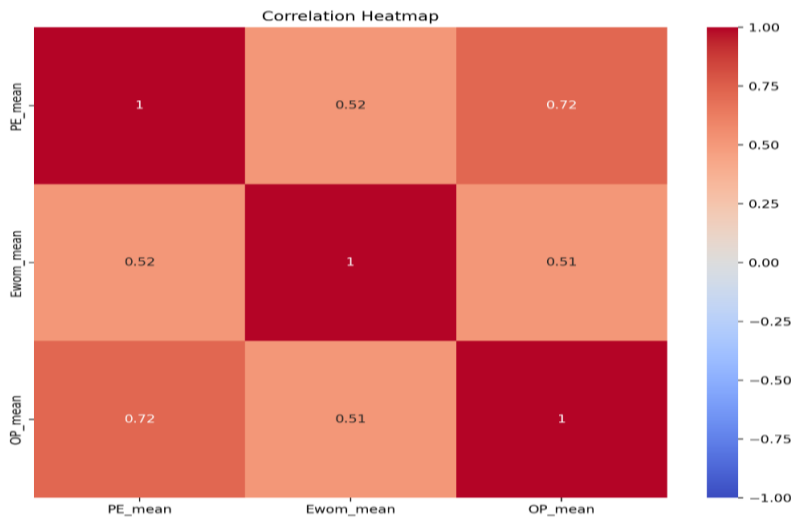


Figure 2 Heat map of Correlation between variables

Findings: The sample size consists of 250 respondents out of which 49.6% are males and 50.4

% are females which suggest the balance in terms of gender representation.

Table 3: Regression Matrix of variables

Parameter	Coefficient	Standard Error	t-value	p-value	95% Confidence Interval	Decision
PB → OP	0.5657	0.031	18.399	0.00	[0.505, 0.626]	Accepted
EWoM →	0.1962	0.034	5.777	0.00	[0.130, 0.263]	Accepted

Note: PB is Perceived Benefit (PB), (EWoM) is electronic Word of Mouth and (OP) Online Purchases.

Table 4: Model Summary of variables

Statistic	Value
R-squared	0.546
Adjusted R-squared	0.544
F-statistic	327.9
Prob (F-statistic)	2.94E-94
Log-Likelihood	-588.42
AIC	1183
BIC	1196
Number of Observations	549
Degrees of Freedom (Model)	2
Degrees of Freedom (Residuals)	546

Most of the respondents are young, specifically in the age group of 21-25. This suggests that findings may be particularly relevant to younger population who are more engaged in online activities.

Most of the respondents have completed their secondary education which might indicate that

education level has significant impact of shaping consumer’s perception.

Perceived benefits (PB) are the key drivers that shape consumers’ perception towards online shopping, the more beneficial purchase attracts consumers to shop more and vice versa.



electronic Word of Mouth (EWoM) influences online purchase but not as Perceived benefits (PB). It has moderate impact on shaping consumer's perception.

Suggestions

Business should focus on prioritizing and enhancing the benefits and overall user experience to their online platforms to boost sales. Electronic Word of Mouth (EWoM) has moderate impact, however it plays a crucial role in shaping consumer's perception. So, businesses should encourage satisfied customers to share their positive experiences which help them to boost sales. Business can focus more on age group 21-25 who are more active in online shopping. To prompt positive electronic Word of Mouth (EWoM), businesses can implement referral programs, rewarding customers to share their experiences, and encourage recommendations and reviews through easy-to-use platforms. Collaboration with social media and employing influencers can further amplify positive word-of-mouth. To cater consumers with different perceived benefits, businesses can use market segmentation to build offers based on factors like price, quality, or status, and personalization to recommend products or discounts that suit with individual preferences. This ensures that each customer feels valued, enhancing satisfaction and driving more positive electronic Word of Mouth (EWoM).

Conclusion

The study examines impact of Perceived Benefits (PB) and Electronic Word of Mouth (EWoM) on consumer online purchasing behavior. The results state that perceived benefits (PB) emerged as the most significant predictor and explain a substantial portion of the variance in online purchase behavior which aligns with the hypothesis that perceived behavior positively influences online purchasing decisions. Next, the electronic word of mouth represented a positive impact on online purchasing

behavior and highlighted that its effect was less pronounced than perceived behavior. The results support the secondary hypothesis that electronic word of mouth contributes to shaping consumer attitudes towards online shopping. The correlation analysis highlights strong positive relationships among the variables. Similarly, the regression analysis validates the overall model fit, with an R-squared value of 54.6%, indicating that perceived behavior (PB) and electronic word of mouth (EWoM) together explain a moderate proportion of the variance in online purchase behavior.

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