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# GENDER EFFECT ON CUSTOMERS' PERCEPTION TOWARDS ONLINE SHOPPING

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## **Abstract**

### **Background**

*Internet provides virtual platform for online shopping of products and services to customers'. A great variety of products and services of different brands can be accessed and compared quickly, easily on a click of mouse in online shopping. Increasing online shopping trend of customers' has provided an opportunity to the marketers to adopt e-commerce as an alternate distribution channel for reducing marketing expenses.*

### **Objective**

*The objective of this paper is to know the components of online shopping. Further, the researcher seeks to study gender effect on customers' perception towards online shopping.*

### **Research Questions/Hypothesis**

*Eleven hypotheses were stated for the study and attempted to find whether Gender- wise there is significant difference in customers' perception towards online shopping.*

### **Research Methodology**

*This study is conducted on non-probability Judgemental convenience sampling of internet user basis. Online shoppers from Indore city of Madhya Pradesh were considered as sampling unit for the study. A structured questionnaire was used to collect data from the respondents. A five points Likert scale consisting of 11 items was used for assessing the perception of online shoppers.*

### **Findings**

*Findings of the study revealed gender-wise significant difference towards time taken for product delivery in online shopping. Male respondents have shown more concerned than female respondents that time taken for product delivery may influence their online shopping behavior. The study also revealed that receiving a recommendation from a friend will have a greater effect on reducing risk perceptions for online shopping among women than among men.*

**Key Words :** Online Shopping, Customers' perception, Gender, E-commerce.

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### **Introduction**

Internet provides virtual platform for online shopping of products and services to customers'. A great variety of products and services of different brands can be accessed and compared quickly, easily on a click of mouse in online shopping. Access of large source of information in online shopping helps customers' to make customized purchase decision based on comparative prices, product features and after sale services offered by competitive marketers.

It provides a channel, where desired products are delivered at the doorstep of customers', instead of

customers' going to buy products at a bricks-and-mortar retailer or in a mall. However, online shopping or e-commerce operation requires some simple technical skills to operate it on internet platform. Information communication technologies are changing the customers' buying behavior, the way consumers shop and buy goods and services are changing. India has a total of 302.35 Million internet and broadband subscribers (TRAI, 2015). This penetration of internet coupled with characteristics of online shopping, has led to a huge growth potential in the e-commerce space. An increasing number of customers' are attracting towards online shopping and

purchasing products online through the use of e-commerce websites and mobile phones. At the same time, increasing online shopping trend of customers' has provided an opportunity to the marketers to incorporate the use of internet accessible technology for promotion and selling of their products and services. It is viewed as an alternate channel of distribution network for reducing marketing expenses, that provide an opportunity to share the reduced product price with customers' and being competitive in the market place.

Selling on internet has a large potential due to boundary less targeting opportunities. As a result of web retailing as an easy convenient platform, the e-commerce industry is becoming interested in the use of internet to reach their customers'. However, it should be kept in mind that the benefits of internet penetration have not reached yet at desired level to non-urban areas in India. However, mobile network connectivity can play an important role in this scenario. India has close to 969.89 Million wireless subscribers (TRAI, 2015). Mobile phones have been and will be a key tool in helping users connects in a market where overall internet reach may be low. The Government's plan to enable broadband connectivity at the rural levels, at the level of Gram Panchayat, is further likely to boost e-commerce in India. It is not surprising; therefore, that India has a huge growth potential for the e-commerce sector.

Hence a better understanding of e-commerce and online shopping is critical to Reap the benefit of online channel of marketing to the consumer. In view of these facts, the present study is intended to reveal gender effect on customer's perception towards one dimension of digital marketing - online shopping.

### **Literature Review**

Boughton (2005) observed two main objectives of online advertising campaigns as brand development and direct response. However, selection of an appropriate marketing strategy is ultimately guided by channel decision which can offer the greatest Return on Investment. Internet advertisement can be preferred by marketers' offerings products and services on virtual platform, as their prospective customers' are already using internet.

Edwards, et al., (1998) revealed that Internet marketing can be associated with direct marketing, as online marketers have shortened the supply chain and reduced operating costs and commission charges.

Social networks play an important role in driving consumers online and getting them to engage with brands (Forrester). This would gain specific significance in light of facts such as India being ranked as Facebook's second largest audience after the US. PwC research of 2015 reported that an increase in e-commerce has slowed in U.S. retail foot traffic. In 2009 there were 35 billion visits, plus or minus. But by 2010, that figure had fallen to about 25 billion visits. By 2012, that number was even lower, to the low 20s billions of visits. In 2013, it had fallen to 17 billion. Digital natives shopped via phone more than the rest of sample in every category: daily, weekly, monthly, a few times a year, and once a year. Moreover, just 39% of digital natives said they never shop via their smart phone, while 56% of other age groups said they never shop via their smart phone. Credit cards (40%), debit cards (28%), cash (20%), and even payment by invoice (6%) all beat out mobile phones (3%) as the preferred method of payment to conclude a purchase.

Similarly, Lamoureux (1997) observed that On-line marketing offers more choices and flexibility and, at the same time, eliminates huge inventories, storage costs, utilities, space rental, etc. Together, rich data and wide product assortments would likely lead to consumer Satisfaction with online retailing (Szymanski and Hise, 2000; Bauer et al., 2002). The lower search costs traditionally associated with online shopping are thought to result in consumers buying better quality items.

Top motivators for shopping online which include cash back guarantee, cash on delivery, fast delivery, substantial discounts compared to retail, and access to branded products, while barriers include inability to touch and try products before purchase, fear of faulty products, apprehension of posting personal and financial details online and inability to bargain (TOI, 2013)

Kim and Benbasat [2003] identified four categories of trust: personal information, product quality and price, customer service, and store presence.

Perceived risk has negative influence transaction intentions with Web retailers (Featherman et al, Pavlou, 2002). It has been observed that women view the chance to communicate with others to be among the greatest benefits of the Internet (Brunner and Bennett, 1997). The literature has supported the notion that females place more stress on regular communication and react more to

cues from others than men, thus, it could be derived that receiving a recommendation from a friend will have a greater effect on reducing risk perceptions among women than among men. Jarvenpaa et al. (1999) suggested that reducing the risk associated with buying from an Internet store would increase the probability of a consumer purchasing from it.

Bobbitt et al (2001) revealed that perceptions toward online shopping are not only affected by ease of use, usefulness, and enjoyment, but also by external factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping.

The ease of return policy is often a concern to online shoppers (Teo, 2002). The ramifications of how to exchange products, the length of time allowed to return a product, and the cost associated with the shipping of merchandise back to the online retailer are often concerns associated with an online return policy (Shim, Shin, Yong & Nottingham, 2002).

Many studies have indicated credit card security, buying without touching or feeling the item, facing difficulty to return the item, shipping charges and security of personal information as main concerns of online shoppers (Bellman et al., 1999; Bhatnagar et al., 2000).

Women may seem to be more rational shoppers than men (Eastlick and Feinberg, 1994) because the purchase decisions they more frequently make are better served by an optimizing rather than a minimizing strategy (Alreck & Settle, 2002). Sex differences in online behavior may depend on the kinds of products purchased as they do on contrasting information processing styles (Bhatnagar et al., 2000; Rodgers & Harris, 2003; Van Slyke et al., 2002).

### **Objectives**

- To know the components of online shopping.
- To study gender effect on customers' perception towards online shopping.

### **Hypotheses**

Following hypotheses were stated for the study and tested at 5 per cent level of significance.

**H1-Gender-** wise there is significant difference in customers' perception that online shopping saves time

**H2 - Gender-**wise there is significant difference in customers' perception that online shopping is risky

**H3 – Gender-**wise there is significant difference in customers' perception that online shopping takes a long time for delivery of products

**H4 – Gender-**wise there is significant difference in customers' perception that online shopping provides broad product categories for selection.

**H5 – Gender-**wise there is significant difference in customers' perception that online shopping provides detail information of products and services.

**H6 – Gender-**wise there is significant difference in customers' perception that online shopping has an advantage of any time shopping.

**H7 – Gender-**wise there is significant difference in customers' perception towards payment procedure ( cash on delivery or via credit/ debit card).

**H8 – Gender-**wise there is significant difference in customers' perception towards difficulty in returning product/item in online shopping

**H9 – Gender-**wise there is significant difference in customers' perception that online shopping provides an opportunity for value for money purchasing

**H10 – Gender-**wise there is significant difference in customers' perception towards hidden charges in online shopping

**H11 – Gender-**wise there is significant difference in customers' perception towards EMI facility in online shopping

### **Research Methodology**

**Type of Study:** Descriptive in nature.

**Type of sampling:** Judgemental convenient sampling.

**Sample Size:** Online shoppers from Indore city of Madhya Pradesh were considered as sampling unit for the study. Sample size was 100.

**Data collection tool:** Primary data was collected with the help of structured questionnaire. Statements of the questionnaire were extracted through extensive literature review. Responses were measured on 1-5 point (Strongly agree to Strongly Disagree) likert scale.

Tools used for data Analysis: Mean, Standard deviation and Independent sample T test were used as tools for data analysis.

## Results and Discussion

**Table 1: Gender profile of respondents**

	Frequency	Percent	Cumulative Percent
Male	45	45.0	45.0
Female	55	55.0	100.0
Total	100	100.0	

Table 1 exhibits that 45 percent of respondents were male and 55 percent were female. So, gender-wise the sample was moreover equally distributed.

It is exhibited in Table 3 that gender-wise significant difference observed in customer's perception towards online shopping that it takes a long time for the delivery of products. Hypothesis H3 was not rejected. Male respondents agreed and consistent in their opinion that in online shopping the delivery of products takes a long time, whereas, female respondents were not agreed and also found inconsistency in their opinion (Table 2). The reason could be that the male respondents were more concerned than female respondents towards delivery of the product ordered, such as shipping fees, delayed delivery and/or not receiving a product ordered in time. As, they might have to plan receiving of products from their working hours, and once delivery promise is not met by online product suppliers due to any problem in delivery channel then they might have to reschedule their product receiving plan. Whereas, it might not be a matter of great concern for female online shoppers, especially the housewives. However, remaining hypotheses H1, H2, H4, H5, H6, H7, H8, H9, H10 and H11 were rejected as gender-wise no significant difference observed in customers' perception towards these factors of online shopping.

Findings of the study also revealed that male online shoppers were found relatively more convinced than female online shoppers that online shopping saves time, is risky, has an advantage of any time shopping, provides detail information of products and services and there is some hidden charges in online shopping. Findings of the

study is in line with findings of earlier study of Brunner and Bennett (1997) that regular communication is in practice of females and their reaction to cues are more frequent and intense than men. So, receiving a recommendation from a friend will have a greater effect on reducing risk perceptions among women than among men. Similarly, Bhatnagar et al., (2000), Rodgers & Harris (2003), Van Slyke et al. (2002) observed in their studies that gender-wise differences in online shopping behavior may be induced due to different types of products purchased, as male and female may show different information processing styles and together, large data and varied product assortments would probably lead to consumer Satisfaction in online shopping (Szymanski and Hise, 2000; Bauer et al., 2002).

The study further explored that female online shoppers were relatively found more convinced than male online shoppers that online shopping provides broad product categories for choice, there is difficulty in returning products, provides an opportunity for value for money purchasing and for the preference of EMI (Equal Monthly Installment) facility in online shopping. Findings of the study is in line with the findings of Eastlick and Feinberg (1994) and Alreck & Settle (2002) that women may be more rational shoppers than men because the purchase decisions they more frequently make are better served by an optimizing rather than a minimizing strategy. The ease of return policy is often a concern to online shoppers (Teo, 2002). The ramifications of how to exchange products, the length of time allowed to return a product, and the cost associated with the shipping of merchandise back to the online retailer are often concerns associated with an online return policy (Shim, Shin, Yong & Nottingham, 2002).

The present study also revealed that female respondents have perceived returning products as more difficult than male respondents. Similarly, EMI facility in online shopping can be considered to attract female consumers.

## Conclusion

The present study has analyzed gender effect on customers' perception towards online shopping. Findings of the study revealed gender-wise significant difference towards time taken for product delivery in online shopping. Male respondents have shown more concerned than female respondents that time taken for product



delivery may influence their online shopping behavior. The study also revealed that receiving a recommendation from a friend will have a greater effect on reducing risk perceptions for online shopping among women than among men. Female respondents perceived online shopping as value for money purchasing opportunity and EMI facility in online shopping would be able to attract female consumers. However, female respondents perceived returning products as more difficult in online shopping than male respondents.

Thus, findings of the study will help online retailers to better understand the psyche of male and female online shoppers and equip themselves to attract consumers towards online format. They could introduce EMI facility, insured and assured timely delivery to alleviate risk factors. Actual cost of products including delivery service charges should be explicitly communicated to online shoppers to avoid later on misperception of any hidden charges. The findings of the study would help online retailers to design their offerings by including convenience and security concern of online shoppers.

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**Table 2 Gender-wise Mean and Standard deviation of Customers' perception towards online shopping variables**

	Gender	Mean	Std. Deviation
Online shopping saves time	male	2.8667	1.30732
	female	2.6182	1.45921
Online shopping is risky	male	2.8667	.86865
	female	2.6727	1.07246
Online shopping takes a long time for the delivery of products and services	male	3.1111	.98216
	female	2.5091	1.08649
Online shopping provides broad product categories for selection	male	2.8667	1.28982
	female	3.0909	1.02330
Online shopping provides detail information of products and services	male	2.8222	1.24843
	female	2.7273	1.25395
Online shopping has an advantage of any time shopping	male	3.3333	1.10782
	female	3.0727	1.23009
Payment procedure (cash on delivery or credit/ debit card)	male	2.9556	1.04350
	female	2.9636	1.29047
Difficulty in returning product/item in online shopping	male	2.8667	1.21730
	female	3.1091	1.14944
Online shopping provides an opportunity for value for money purchasing	male	3.2222	.99747
	female	3.4000	.91490
Hidden charges in online shopping	male	3.3556	1.04785
	female	3.2727	1.07934
EMI facility in online shopping	male	2.9333	1.17551
	female	3.1636	1.35761

**Table 3 Gender-wise T- test for Customers' perception towards Online shopping variables**

	t	df	Sig. (2-tailed)
Online shopping saves time	.887	98	.377
Online shopping is risky	.978	98	.330
Online shopping takes a long time for the delivery of products and services	2.877	98	.005
Online shopping provides broad product categories for selection	-.970	98	.335
Online shopping provides detail information of products and services	.182	98	.856
Online shopping has an advantage of any time shopping	.377	98	.707
Payment procedure (cash on delivery or credit/ debit card)	-.034	98	.973
Difficulty in returning product/item in online shopping	-1.022	98	.309
Online shopping provides an opportunity for value for money purchasing	-.928	98	.356
Hidden charges in online shopping	.387	98	.700
EMI facility in online shopping	-.896	98	.373

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