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INTERNATIONAL STUDENT ONLINE SHOPPING BEHAVIOUR IN CENTRAL CHINA NORMAL UNIVERSITY



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Abstract

Now a day, it is possible to say that the internet plays a vital or significant role in people daily life and in all kind of business activity. Through the development of internet online shopping has become popular, and student feel comfortable in using internet.

The purpose of the study is to know the online shopping behavior of international students in Central China Normal University. A population of 47 respondents has been chosen to collect the data. The questionnaire was field by different student from different country and background. The information gathered was analyzed to arrive at the purpose of the study. The study finds that online shopping is common by international student because of convenience as a biggest advantage. Students use Taobao and Alipay most. Even if online shopping is common by international students prefers traditional shopping.

Key words: Online shopping, Perceived risk, Perceived benefit, Online shopping behavior



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Chapter one

1.Introduction

We just pass several ages like industrial age, agricultural age and now we are living in the information age. The fast increasing of the internet provides a developing prospect for online shopping. It is a fact that the internet makes people life simple and easier through the development of internet online shopping has been growing rapidly now a day.

According to Global online consumer report in 2017 many traditional consumer business and new startups alike are moving away from models that are shop centric or geographically focused, to ones that are customer centric and virtually borderless. So, the internet has created a paradigm shift of shopping behavior of people.

Today, internet is not only an information sharing media but also a worldwide means of transaction for consumers as well as business person. It internet usage has grown rapidly over the past years and it has become a common means of information transfer, service and trade. (Narges Delafrooz, et al 2010)

As per the study conducted in US by Lester et al. (2005), locating "hard to find merchandise," can shop online any time of the day, competitive prices, ability to compare prices, secure site, broad assortment of merchandise, and privacy were among the most important reasons for purchasing merchandise on the Internet.

Foreign student uses online shopping in terms of competitive price, it saves time, money, energy and online shopping offers a lot of product at a time. Because of the aforementioned reason foreign student prefer to buy through online with just a few clicks. One study conducted in Indonesia by Pratminingsih et al. (2013) conclude that Satisfaction, trust and commitment were found to have significant impact on student loyalty toward online shopping.

Now a day, foreign students buy from online shopping with the help of technology through the internet. Purchasing item online through the internet is a very easy task that is why so many students prefer purchasing online. It provides a very comfortable service for the student by delivering the product at their door step. Slow delivery of merchandise and sometimes the size doesn't feet because students can't see touch directly are the most important disadvantage of online shopping.

1.1 Statement of the problem

This study is intended to analysis the online shopping behavior of foreign student in Central China Normal University.

1.2 Objective of the study

1.2.1 General Objective

The general objective of the study is to carry out an assessment on online shopping behavior of foreign student in Central China Normal University.

1.2.2 Specific objective

1. To identify the factors influencing online shopping behavior of Central China Normal University foreign student.

2. To study about the important factor to shop online.

3. To study the online shopping behavior of Central China Normal University foreign student.

1.3 Scope of the study

The study has involved foreign student in Central China Normal University from different age groups, different background and educational level are covered by the research as proportional as possible.

1.4 Methodology

1.4.1 Methods of data collection

The study used both primary and secondary data, the primary data includes information from questionnaires.

Sample size: the sample size consists of 47 respondents.

Sampling method: for the purpose of my study I prefer simple random sampling method.

The secondary data collected from external sources such as journals, websites, book and other material available.

1.5 Limitation of the study

1. The study has been conducted based on the data from foreign student in Central China Normal University and the findings may not be applicable to others.

2. Small sample size, in order to make more generalized, reliable and significant conclusion a study employing larger sample size is needed.

1.6 Purpose of the study

Although there has been much research about online shopping behavior, most of it has focused on the whole population, including all age groups and most of doesn't have a specific group of people. Therefore, this research is to focus on one group of people, that is foreign student in central China Normal University.

Chapter two

2.Literature review

Shopping is one of the most important parts of our day life. We are using different types of shops to buy different kinds of things every day. Brittany Pomije (2011) define online shopping as Online shopping is the process where by consumers directly buy goods and services from a seller in a real time, without an intermediary service, over the internet.

According to statistics portal in 2016, an estimated 1.61 billion people worldwide purchase goods online. In 2016, global e-retail sales amounted to 1.9 trillion U.S dollars and projections show a growth of up to 4.06 trillion U.S dollars by 2020.

2.1 Factors affecting online shopping

There are different factors that affect online shopping behavior. Characteristics of consumer like nature of personality, online shopping perception and benefits can affect online shopping behavior of consumers. (Goldsmith & Flynn, 2004; Shwu-Ing, 2003).

The marketing expert Philip kottler (2000) said that personal factors play an important role in affecting consumer buyer behavior. The personality characteristics of the customer influence the willingness to buy online and luck of online shopping experience has a negative effect on the likelihood of future online purchase.

There is different factor that influence customer online shopping attitude. According to Lian et al (2007) there are four factor.

The first factor is consumer characteristics. Variables included personality traits, self-efficacy, demographic profiles, and acceptance of new technology.

The second factor is personal perceived values. Variables includes perceived risk, perceived convenience, perceived website quality and perceived benefits.

The third factor is website design, variables included in this factor are security and privacy.

The fourth factor is the product itself. Successful internet marketing depends on the product and services being marketed.

Therefore, understanding of consumer attitude towards online shopping is important factor to predict the online shopping rate and growth.

2.1.1 Online shopping perceived risk

Now a day's in this dynamic and turbulent business environment consumer perceived risk on online shopping become a hot topic for researchers. Because of the reason that perceived risk will have a direct impact on consumer's attitude towards online shopping. Consumers may worry about purchasing products and services from "faceless" retailers, giving out personal and financial information online, buying products they can't examine physically before a purchase, loss of time and/or money, as well as what their friends and family will think about their purchases. These perceived risks occur when an individual recognizes the possibility of loss or some other negative consequence from using or purchasing a product or service (Bauer, 1960). The finding of Bo Dai et al (2014) call the attention to the idea that the impact of risk perception on purchase intentions is not universal across all types of risk or product categories.

According to Moshref et al. (2012) customer predict different types of risk such as financial risk (loss of money), non-delivery risk, and quality of the product (it is difficult to judge the quality of the product adequately) Iconaru et al. (2013) stated, in online shopping a perceived risk appears from when customers feel uncertainty and fear of financial loss, poor product quality, non-delivery concerns, the breaching of trust and misusing of personal information.

2.1.2 Online shopping perceived benefit

According to (Shwu-Ing, 2003) consumers' perceived benefits are the sum of online shopping satisfactions that meet their demands. Consumers perceived greater benefit and less risk while they shop online. Finding by Trisna Tanadi (2015) says that in the dimension of perceived benefit: shopping convenience, product selection, ease of shopping and shopping enjoyment have a positive relationship toward online intention.

Most of the researches done previously shows that there is positive relationship between perceived benefit of online shopping and frequency of online shopping.

The main motivation to shop online is that it is comfort of own home more than to shop in-store; in other words, convenience is the most important factor that motivates consumers to shop online. Moreover, ease of search, shop24/7, comparison shopping easier, no lines, availability of discount coupons, good price/deal, good selection/availability, fun, impulse, customer service, and wider selection of retailers are additional reasons why people shop online (Khatibi, Haque, & Karim, 2006).

2.2 Research gap

Even if there are so many studies covering the various aspects of the online shopping behavior, I could not find out that focus on international students. So I need to address the online shopping behavior of International students in Central China Normal University. A study focus on international student can be considered as anew contribution of the field of study.

Chapter three

3.Data Analysis

3.1 Data analysis and results

The respondent of this paper were 47 international students in central China Normal University. The online questionnaires (<u>https://www.wjx.cn/m/20593241.aspx</u>) has been used for data collection.

3.2 Questionnaire data

First four questions served as background questions asked to get information about the respondent's gender, age, education level and monthly income.

1.Gender

The results of demographic gender's profile indicate that 64% are male students and 36% are female respondents.



2.Age

The following age figures shows that 17% respondents are between the age of 19-22 years, 49% are between 23-31 years, 32% respondents are between 32-40 years, and 2% respondents are 41- 48 years.



3.Educational level

This demographic factor shows that 32% are Bachelor's program respondents and 51% are master program respondents and 17% are PhD Degree respondents.



4. Monthly income

It is a very sensitive demographic factor. The empirical data show that 13% respondents' monthly income is less than 2000RMB, while only 68% respondents' monthly income is between 2,000-3,499 RMB and 15% respondents' monthly income is between 3,500-4999 25,000RMB 2% respondents' monthly income is between 5000-10,000RMB and 2% respondent's monthly income is more than 10,000 RMB. It should be considered that international students of Central China Normal University get financial help from the government and also there are some self-sponsor student.



5. Have you ever had online shopping?

85% of the respondent say that they go for online shopping and the remaining 15% prefer traditional shopping.



6. how often do you shop online?

The following figures shows that 6% respondents are shop online frequently, 30% prefer to shop online regularly, 6% respondents prefer to shop rarely and 45% of the respondent prefer to shop according to their need and 13% says never had online shopping.



7. What type of product or service did you purchase through online shopping?

The Student mostly purchase clothes online, the increasing demand of clothes online is because winter season at doing this study and there is a variety of options the students get to choose and that to at a reasonable price. So, there is a demand for clothes in online pages. Next comes the electronic item cosmetics, books and other products.

8. Have you felt any problem while conducting online shopping?

62.5% of the respondents say that they face problem while conducting online shopping and the rest 37.5% of the respondent don't face any problem in online transaction.



9. If yes what kind of problem?

12% of the respondent say that they face delay in delivery problem, the interesting fact is that 72% of the respondents says that quality of product is a problem for them, 4% of the respondents says that product damage is a problem for them while they shop online and 12% of the respondent's mention language barrier, size of the product.



10.If you never had online shopping, please mention the reason?

These are some of the reasons that the respondents don't like online shopping not familiar with online shopping, language problem, luck trust on the quality of the product, luck of interest for online shopping, luck of experience and like to go to store and shop experience process.

11. Select the payment method that you use in online shopping?

The most preferred method of payment by student is alipay 80% of the respondents use alipay as a payment method, 17.5% use we calt pay as a payment method and 2.5% of the respondent use credit card to pay.



12. Which website you use when shop online?

The most preferred website for online shopping is Taobao 92.5% of the respondent purchase from taobao, amazon 2.5% of the respondent prefer it. The least number of percentages is 5% for other shopping sites like –flipkart, craftvilla.com and other.



13. Select an appropriate maximum amount you spend per year on online purchase?

30% of the respondents say that they spend less than 1000 RMB per year for online shopping, 62.5% of the respondents spend between 1000-5000 RMB for online shopping per year and the least 7.5% of the respondent spend between 5000-10,000 RMB per year. So from this we can say that the majority of the student spend between 1000-5000 RMB for online shopping per year.



14. How often do you use internet for shopping?

30% of the respondents use internet very often for shopping, 27.5% of the respondent use internet often for shopping, 32.5% of the respondent use internet sometimes for shopping and finally 10% of the respondents use internet rarely for shopping.



15.Select the sources which you use for gather information about various products.

40% of the respondents use search engine to gather information about various products, 30% of the respondents use product catalogs, 17.5% of the respondents use family and friends, 5% of the respondents use company website and advertisement to gather information and 2.5% of the respondents mention others.



16. Why do you prefer online shopping?

The respondents say that they prefer online shopping because of convenience, saves time, money and energy, online shopping offers a lot of product at a time, competitive price and wider selection when they shop online

16. What is your perception about risk in internet shopping?

Most of the respondent are afraid of online shopping because of no possibility for touch, wrong perception about online purchase and risk of the quality of the product.

18. What is the reason for not purchasing online?

Factors that refrain students from online shopping are uncomfortable about purchasing through the internet, difficulty in returning products, information for making buying decisions is insufficient, enjoy to go out for shopping, delivery charges and privacy loss.

20. What information do you need to see on product page to help you decide whether to make a purchase?

The respondent need to see multiple images of product and detailed product information in the website to decide to purchase online.



Chapter four

4.FINDING RECOMMENDATION AND CONCLUSION

4.1 Findings

Most of the respondent prefer online shopping so, it is possible to say that online shopping is going more popularity among international students.

Demographic variables which have a significant effect on the attitudes as evidence by various previous researches according to my findings demographic factors (gender, age, education level and income) are not significant at all in influencing the attitude in case of my study.

Majority of the respondents say that they see multiple image of product and detailed product information before deciding to make a purchase on the internet.

Quality of the product is the main problem faced by most of the respondent.

Some of the respondent doesn't prefer online shopping because of not familiar with online shopping and language barrier.

Most preferred method of payment is Alipay and they use Taobao website for online shopping.

Most of the respondent prefer online shopping because of its convenience, offers a lot of product at a time and it needs a little bit effort.

Risk is the main factor that refrain students from purchasing through the internet.

4.2 Conclusion

The result from the study indicate that the most important factors that influence student to buy from online shop is convenience with the use of internet student can shop anywhere, anything and at any time with a single click and beside convenience there is no need to deal with sales people. My findings go in line with previous research conducted by Delafrooz, et al (2010) who found that students are looking for more convenience, cheaper price and wider selection when they shop online. International students who purchase online consider the benefits of online shopping in terms of convenience and offers a lot of product. Therefore, online shopping company need to ensure that the online shopping process should be easy, simple and convenience for the student to shop online.

The study also finds the factors that refrain students from online shopping like uncomfortable about purchasing through the internet, difficulty in returning products, information for making buying decisions is insufficient, enjoy to go out for shopping, delivery charges and privacy loss.

In addition, another aspect of the study includes the perceived risk of online shopping. The findings of the study show that no possibility for touch, difficult to judge the quality of product adequately and uncomfortable feeling of online shopping are the most important factors considered as a risk in online shopping.

What is more is that the students use search engine and product catalogs to gather information about various products they want. In other word it means that students believe returning a product is much complicated so they must find a good information about the product they purchase.

Even if online shopping is common by international student still a considerable section of students prefers traditional shopping. This is mainly because of the complexity of the procedure of online shopping and due you to lack of experience and language barrier. For an international student to shop online from Taobao is challenging because the website is 100% Chinese. The findings by Hashim Shahzad (2015) also conclude that website design has a significant influence on consumers online shopping behavior. The e-retailers should make their website ease of use, easy to understand and provide proper information for the online consumers.

4.3 Recommendation

Online shopping has a great and bright future but to be successful it is necessary to spread awareness about its benefit. Online shopping companies should provide complete information about their products detailed product information attracts more and more students and should make site simple so that student can understand how to make purchase. And also it is a better technic to use approach of credit points meaning that if one purchases for the first time they get credit points due to which if they purchase for the second time they can get discount of that much points.

4.4 Future directions

The sample size is relatively small Future research needs on a large sample by including other factors that influence online shopping behavior to verify the findings of the current research.

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