



## Knowledge, Attitude and Practices of Consumers in E-Commerce Transactions

Gulshan Kumar

M. Phil in Commerce

HP University

---

### Abstract

**Background:** To evaluate the knowledge, and attitude of consumers in e-commerce transactions.

**Materials & methods:** A total of 20 subjects were enrolled. E-commerce transactions were included and thus 50 respondents had participated in the study. Questionnaires were used. There are 5 questions about respondents' background in part A. In part B, there were ten questions that measure the level of knowledge among respondents in e-commerce transactions. Each question contains two options which were; 1 = Yes, 2 = No. Data were analyzed by using the SPSS software.

**Results:** 97% of the respondents answer correctly the statement "E-commerce is the buying and selling of information, products and services via computer networks". This shows that the majority of consumers know the function of e-commerce.

**Conclusion:** If the consumers' attitude towards e-commerce is positive, it is more likely that they will engage in e-commerce transaction.

**Keywords:** e-commerce, transactions, consumers.

---

### Introduction

The Internet and mobile technology have significant impacts on consumers and businesses. According to Nielsen, <sup>1</sup> there are 4 billion people connected to the internet, and 92.6% of them use mobile devices for internet access. Consumers have increasingly spent more time on a diverse range of digital activities, with greater frequency. <sup>1,2</sup> Online shopping is a dramatically developing business, since internet technology and applications provide customers with more accessible, more convenient, and cheaper methods to find more varied kinds of products than traditional shopping. <sup>3,4</sup> Along with the growth and associated advantages of online shopping, purchasing food online is climbing at an unprecedented rate, <sup>2,5</sup> and generation X, Millennials, and generation Z are the most avid online food buyers. <sup>6</sup>

Although digitalization is a broad concept and has many facets, <sup>7,8</sup> electronic commerce (E-commerce) is an important example of how businesses can take advantage of digital technologies. E-commerce may be defined as "the sale or purchase of goods or services conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders". <sup>9</sup> The benefits of E-commerce adoption in a cross-border space – depending on the nature of the product – include the possibility to enter international markets without costly investments in physical facilities abroad, <sup>10</sup> rapid response to demand conditions, and a more cost-effective personalization of offerings to customers worldwide. <sup>11</sup> Because of these potential benefits, E-commerce has become a widespread business phenomenon gradually transforming the traditional business landscape. <sup>10</sup> E-shopping is the process whereby customers directly buy goods or services from a seller in real time, without an intermediary service, over the Internet. <sup>12</sup> It is a form of E-commerce, which has become prosperous in communities where Internet-enabled devices have made online shopping easier for customers. The way that consumers purchase or check for appropriate items can easily shift. At present, customers are

testing sites in a wide variety of ways, such as to gather information, compare product features and pricing to their near alternatives, and then pick the best available choices.<sup>13</sup> During the past two decades, the number of E-shopping retailers has increased significantly, indicating that, in the future, retailers will rely on this mode of shopping.<sup>14</sup> The manner in which retailers advertise and connect with their consumers has changed, as well as providing buyers and retailers with a global marketplace.<sup>15</sup> Hence, this study was conducted to evaluate the knowledge, and attitude of consumers in e-commerce transactions.

### Materials & methods

A total of 20 subjects were enrolled. E-commerce transactions were included and thus 50 respondents had participated in the study. Questionnaires were used. There are 5 questions about respondents' background in part A. In part B, there were ten questions that measure the level of knowledge among respondents in e-commerce transactions. Each question contains two options which were; 1 = Yes, 2 = No. In part C, there were 5 questions asked about the attitude of the respondents towards e-commerce transaction. For this part, 5 likert scale were used ranging from "1" = strongly disagree, "2" = disagree, "3" = not sure, "4" = agree and "5" = strongly agree. In part D, there were 5 questions about the practice of e-commerce transactions. For this part, three likert scale have been used "1" = never, "2" = sometimes, and "3" = often. Data were analyzed by using the SPSS software.

### Results

97% of the respondents answer correctly the statement "E-commerce is the buying and selling of information, products and services via computer networks". This shows that the majority of consumers know the function of e-commerce. Statement which recorded the second highest score for those who answer it correctly is "The aim of E-commerce Act 2006 is to give recognition to e-commerce transactions" where 84.5% of the respondents had answered it correctly.

Table 1: Knowledge on E-commerce transactions

Statements	Answer	Answering Correct
E-commerce is the buying and selling of information, products and services via computer networks.	True	97%
Digital signature is a system to authentic the e-commerce transaction	True	75.2%
The aim of E-commerce Act 2006 is to give recognition to e-commerce transactions	True	84.5%
E-commerce is not a valid transaction because the transaction is done without the presence of both sides	False	76.8%
E-commerce is valid if the transaction associated with the transaction can be found in the future (in-writing)	True	82.5%

The statement which has been recorded the highest score is "Purchasing online can save time". This indicates that majority of respondents agreed that e-commerce can save time compared to shopping in stores.

Table 2: Attitudes towards E-commerce transactions

Statement	Strongly disagree (%)	Disagree	Not sure	Agree	Strongly agree
Purchasing through online is an easy transaction	3.5	18.4	22.5	48.5	7.1
E-commerce transaction is easy to learn	1.4	16.8	30.2	40.6	11
Purchasing online can save time.	2.6	6.2	10.1	61.6	19.5
Purchasing online is convenient because I do not need to be stuck in traffic jams and queues for payment.	1.0	10.8	22.2	45.6	20.4
Privacy is effected while shopping in ecommerce.	2.0	13.4	51.5	23.2	9.9

## Discussion

Attitude is defined as a person's overall evaluation of a concept. Two types of attitude can be identified: attitudes toward objects and attitudes toward behaviours. As this study measures the attitudes of working adults toward E-shopping, attitudes toward behaviours are more relevant to the context of this study. An attitude toward behaviour refers to the "degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question",<sup>16</sup> whereas a customer's attitude toward E-shopping refers to a "customers psychological state in terms of making purchases over the Internet".<sup>17</sup> Hence, this study was conducted to evaluate the knowledge, and attitude of consumers in e-commerce transactions.

In the present study, 97% of the respondents answer correctly the statement "E-commerce is the buying and selling of information, products and services via computer networks". This shows that the majority of consumers know the function of e-commerce. Statement which recorded the second highest score for those who answer it correctly is "The aim of E-commerce Act 2006 is to give recognition to e-commerce transactions" where 84.5% of the respondents had answered it correctly. A study by E.A. Bakar et al, the totals of 104 respondents who had practiced e-commerce were

systematically randomly selected. Questionnaires were used as a tool for collecting data and the Statistical Package for Social Sciences (SPSS) had been utilised for data analysis. The results show that there was significant relationship between the consumers' knowledge and consumer purchasing practices of e-commerce ( $r=0.251^*$ ,  $p<0.05$ ). It means the higher the level of knowledge, the better the practices and vice versa. The study also shows that there was significant correlation between consumers' attitude and their practices in e-commerce purchasing ( $r=0.197^*$ ,  $p<0.05$ ). Therefore, if the consumers' attitude towards e-commerce is positive, it is more likely that they will engage in e-commerce transaction. For policy implication, government should continue promoting and enhancing consumers' awareness and knowledge with the introduction of government policies which are beneficial to consumers.<sup>18</sup>

In the present study, the statement which has been recorded the highest score is "Purchasing online can save time". This indicates that majority of respondents agreed that e-commerce can save time compared to shopping in stores. Another study by Chawla N et al, a thorough analysis of the two newly enacted laws, i.e., the Consumer Protection Act, 2019 and Consumer Protection (E-commerce) Rules, 2020 and literature review support analysis of 290 online consumers answering the research questions and achieving research objectives. The significant findings are that a secure and reliable system is essential for e-business firms to work successfully; cash on delivery is the priority option for online shopping; website information and effective customer care services build a customer's trust. The new regulations are arguably strong enough to protect and safeguard online consumers' rights and boost India's e-commerce growth. Besides factors such as security, privacy, warranty, customer service, and website information, laws governing consumer rights protection in e-commerce influence customers' trust. Growing e-commerce looks promising with a robust legal framework and consumer protection measures.<sup>19</sup> Ahi AA et al, the advancement of digitalization is gradually transforming the existing structure of the global economy. According to the McKinsey Global Institute, almost all cross-border transactions had a digital component in 2016. This is also reflected by the growing literature on digitalization and E-commerce. Yet, studies specifically focusing on E-commerce policy are scarce compared with other areas in this domain. By going beyond academic articles and including policy documents in our analysis, this study takes stock of the issues as well as the policy recommendations identified in these publications. The analysis reveals that to promote an inclusive E-commerce participation, it is imperative to design policies that improve countries' formal institutions, facilitate the inclusion of less-developed countries in the E-commerce space, and enhance E-commerce adoption by small- and medium-sized enterprises.<sup>20</sup> The psychological nature of customers in the context of an online shopping decision affects their attitude toward E-shopping. A research on the E-shopping behaviours of British and American consumers has also shown that E-shopping is a determinant of online shopping. Likewise, consumer research on E-shopping behaviour accepts that attitude represents a description of the positive or negative self-appraisal of a client's behaviour, values, feelings, and patterns during online transactions.<sup>21</sup> The better the behaviour of an individual is, in relation to the behaviour predicted, the more likely the person wants to participate in the behaviour.

## **Conclusion**

If the consumers' attitude towards e-commerce is positive, it is more likely that they will engage in e-commerce transaction.

## **References**

1. Nielsen . Nielsen Connected Commerce Report Examines Consumers' Online Purchasing Behavior across 64 Countries. Nielsen; New York, NY, USA: 2018.
2. Ramus K., Asger Nielsen N. Online grocery retailing: What do consumers think? *Internet Res.* 2005;15:335–352.
3. Hartono E., Holsapple C.W., Kim K.Y., Na K.S., Simpson J.T. Measuring perceived security in B2C electronic commerce website usage: A respecification and validation. *Decis. Support Syst.* 2014;62:11–21.
4. Alagoz S.H., Hekimoglu H. A study on tam: Analysis of customer attitudes in online food ordering system. *Procedia Soc. Behav. Sci.* 2012;62:1138–1143.
5. Statista . Facebook Usage Penetration in Vietnam from 2015 to 2022. The Statistics Portal; Hamburg, Germany: 2017.
6. Nielsen . The Future of Grocery: E-Commerce, Digital Technology and Changing Shopping Preferences around the World. Nielsen; New York, NY, USA: 2015.
7. Bouncken R, Barwinski R. Shared digital identity and rich knowledge ties in global 3d printing—a drizzle in the clouds? *Global Strategy Journal.* 2020;11(1):81–108.
8. Ritter T, Pedersen CL. Digitization capability and the digitalization of business models in business-to-business firms: Past, present, and future. *Industrial Marketing Management.* 2020;86:180–190.
9. OECD . Unpacking Ecommerce: Business models, trends and policies. OECD Publishing; 2019.
10. Kraemer KL, Dedrick J, Melville NP. Globalization and national diversity: E-commerce diffusion and impacts across nations. In: Kraemer KL, Dedrick J, Melville NP, Zhu K, editors. *Global e-commerce: Impacts of national environment and policy.* Cambridge University Press; 2006. pp. 13–61.
11. Gregory GD, Ngo LV, Karavdic M. Developing E-commerce marketing capabilities and efficiencies for enhanced performance in business-to-business export ventures. *Industrial Marketing Management.* 2017;78:146–157.
12. Anitha N. Consumer preference towards online retailing. *ICTACT Journal on Management Studies .* 2015;1:74–80
13. Wann Y., Wu Lee C.-L., Fu C.-S., Wang H.-C. How can online store layout design and atmosphere influence consumer shopping intention on a website? *International Journal of Retail & Distribution Management .* 2014;42:4–24.
14. Lim Y. J., Osman A., Salahuddin S. N., Romle A. R., Abdullah S. Factors influencing online shopping behavior: the mediating role of purchase intention. *Procedia economics and finance .* 2016;35:401–410.
15. Ahmad N., Omar A., Ramayah T. Consumer lifestyles and online shopping continuance intention. *Business strategy series .* 2010;11(4):227–243.
16. Ajzen I. The theory of planned behavior. *Organizational Behavior and Human Decision Processes .* 1991;50(2):179–211.
17. Dani N. J. A study on consumers' attitude towards online shopping. *International Journal of Research in Management & Business Studies .* 2017;4:42–46.
18. E. A. Bakar, Lim Li Chang and A. Z. Saidin, "Knowledge, attitude and practices of consumers in e-commerce transactions," 2013 5th International Conference on Information and Communication Technology for the Muslim World (ICT4M), Rabat, Morocco, 2013, pp. 1-7.

19. Chawla N, Kumar B. E-Commerce and Consumer Protection in India: The Emerging Trend. *J Bus Ethics*. 2022;180(2):581-604.
20. Ahi AA, Sinkovics N, Sinkovics RR. E-commerce Policy and the Global Economy: A Path to More Inclusive Development? *Manag Int Rev*. 2023;63(1):27-56.
21. Perner L. Consumer behavior: the psychology of marketing . *Consumer Psychologist*; 2008.