

Influence of Online Shopping in Consumer Behaviour

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Abstract

From the past few years, on-line shopping is the prevalent way of doing dealings in the field of E-Business and is unquestionably going to be the future of shopping in the human race. The increasing consumer base, principally of youths, is playing a significant role in the online shopping. Even though there is an increase in the consumer demand, there are some security issues reported regarding the online shopping and its delivery systems. These may resist the new entries into the online shopping. So this paper investigates the influence of online shopping in consumer behaviour.

Keyword-- Online shopping, Consumer Behaviour, E-Marketing, E-Commerce

I. INTRODUCTION

The introduction and implementation of internet technologies has created new market for manufacturers and service providers and also has provided new arena for innovative marketing strategies by the professionals. There are various reasons of shifting the customers buying patterns towards online retail shops. The facility of comparing products with competitive products on the basis of price, colour, size and quality is one of the biggest benefits of online shopping. Moreover the product remains at its place even you purchase it. It looks hilarious but this is also one of the most significant reasons reported by the online shoppers. The other popular names for online shopping are virtual store, e-shop, web shop, internet shop, web-store and online storefront etc. These days Mobile commerce or m-commerce is also one of the popular means of shopping. The facilities of various coupon and discount scheme are also fascinating the customers in online shopping.

The increasing consumer base, principally of youths, is playing a significant role in the online shopping. Through this means, the shopper can buy the product from wherever he wants. Because of wide communication network e commerce has become the new mediator between the companies/manufacturers and their customers. The growth rate of India's e-commerce industry is fascinating. It was reported as 88% in 2013

which is a clear contrast picture of the slower economic growth of India. The rising inflation rate in recent years has not slipped away the performance of online shopping industry in India. Earlier the Indian customers were more attracted towards electronic gadgets and mobile phones for online shopping but now the products indicative of lifestyle, viz., watches, apparels, perfumes, beauty products are also in high demand through the medium of online shopping. The market is also developing for books, jewellery, home appliances and kitchen appliances etc. From the past few years, on-line shopping is the prevalent way of doing dealings in the field of E-Business and is unquestionably going to be the future of shopping in the human race.

The rising inflation rate in recent years has not slipped away the performance of online shopping industry in India. The youth population gives more scopes to conduct studies about the new generation shopping methods, because youth is considered as the major consumers of technology and related products and services. Scope of this particular study is the increasing demand among the consumers and the rapid growth of the industry, along with that the recent news reports relating to the online shopping and its problems in delivery, tax etc. also enhances the scopes and significances of the study.

Research Objectives:

- ❖ To examine the factors influencing online shopping on buying behaviour of consumers.
- ❖ To study the popularity and acceptance of online shopping among the consumers

II. LITERATURE REVIEW

THEORETICAL FRAMEWORK:

➤ **Perception towards online shopping: an empirical study of Indian consumers, ziaulhaq (2012).**

This study tells that the Consumers are playing an important role in online shopping. The increasing use of Internet by the younger generation in India provides an emerging prospect for online retailers. If online retailers know the factors affecting Indian consumers' buying behaviour, and the associations between these

factors and type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones. In this study four key dimensions of online shopping as perceived by consumers in India are identified and the different demographic factors are also studied which are the primary basis of market segmentation for retailers. It was discovered that overall website quality, commitment factor, customer service and security are the four key factors which influence consumers' perceptions of online shopping. The study revealed that the perception of online shoppers is independent of their age and gender but not independent of their education & gender and income & gender. Finally, the recommendations presented in this research may help foster growth of Indian online retailing in future.

➤ **Consumers' attitude towards online shopping: factors influencing employees of crazy domains to shop online Saad Akbar, Bangkok University(2011).**

E-commerce offers many online marketing opportunities to companies worldwide and along with high rapid growth of online shopping; it has impressed many retailers to sell products and services through online channel to expand their market. Online shopping or marketing is the use of technology (i.e., computer, internet) for better marketing performance. And retailers are mixing strategies to meet the demand of online shoppers; they are busy in studying consumer in the field of online shopping, to see the consumer attitudes towards online shopping and specifically studying the factors influencing consumers to shop online. In this study, the multiple regression analysis was employed to measure the relationship between 9 independent variables and receptivity to online shopping. The score of Beta weight presented that all 9 independent variables had positive statistical significant effect to Internet users to accept online shopping. Among the 9 factors, the strongest influencers from highest to lowest were Price, Refund, Convenience, Auction websites, Security, Brand, Search engines, Promotion and Online shopping malls. According to independent t-test analysis for gender, there was significant different means between males and females for online shopping malls and Auctions websites factors to receptivity on online shopping. The means of female significant higher than male for these two factors. This study might contribute not only to a better understanding on what and how strongly the factors are involved in online consumer purchasing decisions but also this study provides e-retailer's standpoint such the effectively manage and recommendations. However, e-retailers should keep in mind that consumer behaviour might change in time to time especially in online market so the e-retailer should investigate the consumer behaviour in time to time and adapt the products and services to serve as the customer requirements.

➤ **A study of Indian online consumers & their buying behaviour, Akur Kumar rastogi (2010)**

This study attempts to analyze the features related to the buying behaviour of online shoppers. Consumer buying behaviour in respect of online shopping was studied using different socio-economic variables. It also provides a support that helps researchers understand the drivers of consumers' attitude and goal to shop on the Internet, and consumers' perceptions regarding ease of use and usefulness. Conclusions derived from the analysis can be used as useful guide for market orientation. The outcomes of the study suggest that assessment of consumer buying behaviour can contribute to a better understanding of consumer buying behaviour in respect of online shopping.

➤ **Consumer's attitude towards online shopping, Factors influencing Gotland consumers to shop online, Muhammad Umar Sultan and MD Nasir Uddin(2011)**

In the era of globalization electronic marketing is a great revolution. Over the last decade maximum business organizations are running with technological change. Online shopping or marketing is the use of technology (i.e., computer) for better marketing performance. And retailers are devising strategies to meet the demand of online shoppers; they are busy in studying consumer behavior in the field of online shopping, to see the consumer attitudes towards online shopping. Therefore we have also decided to study consumer's attitudes towards online shopping and specifically studying the factors influencing consumers to shop online.

The population selected for the research is Gotland, and narrowed down to Gotland University students, University cafeteria and Gotland Public library, the sample size selected for this research is 100 and we have used convenience sampling technique. Our findings indicated that among the four factors selected for this research the most attractive and influencing factor for online shoppers in Gotland is Website Design/Features, following convenience the second most influencing and thirdly time saving. Results have also showed that security is of important concern among online shoppers in Gotland. The research has also found that there are some other factors which influence online shoppers including, less price, discount, feedback from previous customers and quality of product. For the second research question i.e. who are online shoppers in term of demography: the correlation results for the age and attitudes towards online shopping has showed that elderly people are not so keen to shop online. Whereas for education it is concluded that higher education makes online shopping less attractive, for the income the correlation results are so weak hence we could not conclude anything out of it.

➤ **E-commerce: It's Impact on consumer Behaviour, Arjun Mittal (2013)**

The main goal of the paper is to obtain quantitative describing the actuality of internet shopping in the case of the India in order to explain the development of internet shopping and its impact on

consumer behaviour. The paper build on the relevant literature and at the same time examines consumer behaviour by questionnaires. Furthermore, the future development of internet shopping will be measured and deep comparison of consumer behaviour between different countries. This paper support the research questions that including recent trends and various issues in internet shopping, and principle factors for consumer behaviour. Also, the result of the study shows that internet consumer trust and perceived risk have strong impacts on their purchasing decisions. Consumer`s trust, privacy concerns, security concerns are the major factors for using internet for shopping, the trust on websites influence to the purchasing decision of any consumer. More specifically, the empirical result suggests how the E-commerce companies make marketing strategies according the research data and analyzing result.

➤ **A study of the attitude towards online shopping: A conceptual model regarding intention formation, the role of perceived risks, Vinay Kumar Sumit Mishra (2009).**

Researchers typically study how levels of risk perception about online shopping affect and how consumers use the channel to buy products. In this paper, researchers are attempting to study how different types of attitudes towards online shopping are formed, considers both the benefit and the risk of using the internet to do their shopping. Researchers pay particular attention to the concept of online shopping skepticism where consumers may fully realize the benefit of using the internet to do their shopping, but also express a certain level of concern about the risk of using that channel.

III. RESEARCH METHODOLOGY

Research design

The study is having a Descriptive research design, focusing the objectives of the study, a survey was conducted with the help of a structured questionnaire to collect data about the influence of online shopping on consumer behaviour. The structured questionnaire was designed to collect information about demographic profile of the respondents such as age,

gender, occupation, Income, Place of residence. In addition to this, various questions related to the experience of internet usage, the purpose of using Internet, types of products purchased online, factors affecting consumer behaviour while online shopping etc. were asked from the respondents

Sources of data

Primary Data

Considering the time and budget constraints, the data were collected from people of 4 different districts of Kerala (Calicut, Malapuram, Trissur, and Palakkad).

Secondary Data

The secondary data were mainly collected from Journals, Websites, Articles, and Text Books etc.

Sample size

Sample size of 104 was fixed for the study; the data were collected from people of 4 different districts of Kerala.

Sample design

The total population may be the consumers of the four different districts. And this study considers only 104 samples from four districts of kerala. A structured questionnaire containing 25 questions, including demographics and space for comments were provided to the respondents. Snowball sampling method was selected as the other methods were impractical for this particular study.

Tools for data collection

Data collected through structured questionnaire

Tools for presentation

I) Tables II) Charts III) Diagrams

Tools for data analysis

Suitable mathematical and statistical tools are employed based on the results obtained after the study. The tools were Percentage analysis, Mean, Standard deviation, Factor analysis, T-test, Anova Etc.

IV. CONCEPTUAL FRAMEWORK

INTERNET SHOPPING

The following helps to reveals online shopping habits of respondents.

Table 1: Responsetowards internets hopping

	Frequency	Percentage
Never	11	10.5%
Occasionally	40	38.4%
Very often	53	51.1%

Graphical representation of the above data is as follows

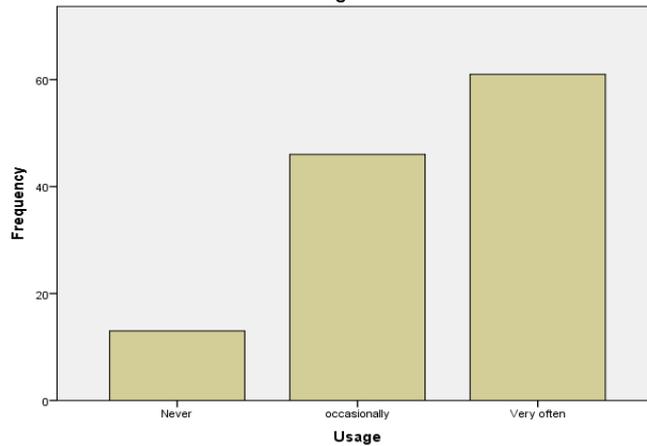


Figure1: Response towards internet shopping

51.1 percent people have been frequently using online stores for shopping, 38.4 percent are occasionally using and Out of the sample taken only 10.5 percent people have never used internet for shopping.

ANOVA

Website Quality and Consumer Behaviour

Ho: There is no significant relationship between overall website quality and consumer buying behaviour

H1: There is a significant relationship between overall website quality and consumer buying behaviour

Table 2: One way anova

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.246	4	1.561	16.022	.000
Within Groups	9.745	100	.097		
Total	15.991	104			

The significant value of one way anova is less than 0.05. The calculated level of significance is 0.000 which is less than 0.05. That indicates it reject the null hypothesis that there is no significant relationship between area of residence and consumer buying behaviour.

By using one way anova test it is seen that, the significance value is less than 0.05, so the null

hypothesis is rejected, which means there a significant relationship between overall website quality and consumer buying behaviour.

Website Security and Consumer Behaviour

HO: There is no significant relationship between overall website security and consumer buying behaviour.

H1: There is a significant relationship between overall website security and consumer buying behaviour

Table 3: One way Anova

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.353	6	1.226	13.904	.000
Within Groups	8.638	98	.088		
Total	15.991	104			

The significant value of one way anova is less than 0.05. The calculated level of significance is 0.000 which is less than 0.05. That indicates it reject the null hypothesis that there is no significant relationship between overall website security and consumer buying behaviour

By using one way anova test it is seen that, the significance value is less than 0.05, so the null hypothesis is rejected, which means there a significant relationship between overall website security and consumer is buying behaviour.

Occupation and Consumer Behaviour

Table 4: occupation of the respondents

occupation	Frequency
Full time employment	32
Part time employment	11
Student	51
Unemployed	9
Total	104

Ho: There is no significant relationship between occupation and consumer buying behaviour

H1: There is a significant relationship between occupation and consumer buying behaviour

Table 5: One Way ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	48.933	45	1.087	1.634	.038
Within Groups	39.257	59	.665		
Total	88.190	104			

The significant value of one way anova is less than 0.05. The calculated level of significance is 0.038 which is less than 0.05. That indicates it rejects the null hypothesis that there is no significant relationship between occupation and consumer behaviour

By using one way anova test it is seen that, the significance value is less than 0.05, so the null hypothesis is rejected, which means there a significant relationship between occupation and consumer is buying behaviour.

CONSUMER BUYING BEHAVIOUR

Table 6: Aggregate Mean Score table

Variables	Mean	Std. Deviation
Competency	3.910	.579
Attractiveness	3.882	.5182
SecurityFeatures	3.9630	.66874
Convenience	3.9537	.55900
WebsiteQuality	4.0556	.53535
Aggregate Mean Score		3.9521

Five variables were set for calculation of Consumer buying behaviour. This table shows the mean and std. deviation of each variable.

From the table it is seen that the third variable, the last variable website quality shows the highest mean and the second variable shows the lowest mean, Std. deviation. It shows that there no much deviations in the opinions of the respondents. The aggregate mean score 3.9521 which is almost reached the agreeing level.

From the above table it's seen that most of the respondents agree that the above variables are influencing them while online purchase of goods and services. Despite the possibility of security issues and some defaults in delivery and transaction process, the majority of the respondents said that in future too, they will continue their shopping through web stores and they love to compare the various features of the selected product with the competitor product.

V. CONCLUSION AND SUGGESTIONS

Findings

- Only a few are not aware or not interested about online shopping, and the popularity of online shopping is increasing by year's coz; most of the respondents started the trend of online shopping by last 2-3 years, and there is an increasing demand.
- Most of the people buy electronic gadgets then apparels and services etc. Youth population is mostly attracted towards online buying.
- Most of the respondents believe that online shopping help them to save both time and money, People like to call online shopping a relaxed shopping.
- The most preferred mode of payment is found to be Cash on delivery; may be because of the security

and credibility reasons, Company profile and brand identity plays a crucial role in online purchases.

- Most of the people are aware of the risk involved in online buying so they do check the reality moreover as the products are purchased without physical touch or contacts, the customers are in need of an efficient customer care service.
- People expect detailed product information from online stores so as to assure the required quality in addition to that People always require large number of options in online sites.
- Most of the people prefer less or no cost of delivery and prefer maximum speed of delivery, along with that privacy is a main concern for every customer.
- Consumers need the sites to be simple to use, and also concerned about the speed of websites, and are very much concerned about their goods till they receive it.
- The website interface can influence the attention of consumers, and most of the consumers are very much attracted by the offers that are provided.
- There is no relation with Age, Gender, and Income as far as online purchase is concerned but Occupation can influence consumer buying behaviour.
- Rural, urban or semi-rural/urban consumers are same in their taste with regards to online purchase.
- Most of the respondents want to continue their shopping through online sites.

VI. CONCLUSION

The current study is descriptive in nature and it has made an attempt to understand the influence of online shopping in consumer behaviour. Although statistical significance of various parameters has not been examined but the generalized results obtained through data analysis has given clear indication of increasing significance of online stores in people. The e-stores are frequently visited by the shoppers. The ease and convenience provided by these stores for 24x7 has made very easy shopping for consumers worldwide. The analysis discussed in the above section has documented that the customers are also getting addicted to the online shopping and they do like various features of online shopping as by rest of the world. But the statistics available has shown that market requires further improvement, and is still not a fully developed market for e-tail stores. There is huge scope of web-stores in various areas and in almost all the segments. The young population is the biggest attraction of this industry and they may contribute substantially to the growth of online shopping in India. The majority of internet users are youngsters, the majority of goods and services demanded are related to only this segment. Travel planning is one of the biggest services used by online shoppers. The present study has several implications for business strategists.

Suggestions

- There is wide mismatch in this segment compared with the global market therefore the e-

commerce companies in line with manufacturers and service providers should target this segment for rapid future growth of their business.

- Creating a detailed profile of each customer would be a better strategy to concentrate particularly to an individual customer or a group of customers so as to provide them information, offers and related services to improve the quality of service and thereby increasing sales.eg; Providing offers to students for school stationeries, books, bags, cloths etc. in the beginning of an academic year.
- By improving the after sales services, providing more secured payment options, timely delivery of the goods with better packaging can further boost the demand of various products and services through web stores.
- The market segments like toys, flowers and house wares must be targeted by the marketers on through e-tail penetration. And the market for other products and services must be expanded through more awareness among the customers.
- Simplicity and tracking ability helps to attract more and more new consumers to online shopping.
- Further the strategist can also focus on the internet penetration plan of the government to understand the future scope of size of online shopping in India.

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