

ONLINE BUYING BEHAVIOUR OF CONSUMERS – AN EMPIRICAL ANALYSIS OF THE FACTORS IMPACTING

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Abstract: The fast changing technology and changing life-styles of people across the world have led to remarkable changes in the consumer behaviour and their buying patterns. There has been a remarkable shift in the marketing arena from traditional methods to modern methods. With the advancement of internet technology and the social media marketing, customers are purchasing the goods online directly from a seller in a real-time.

India has shown a tremendous growth in e-commerce and has been the third largest country in the world after China and USA. The practice of online buying emerged and gradually developed with the launch of WWW. In spite of the challenges facing, e-tailing has registered an unprecedented growth in India. Online buying has become extremely popular over the last decade. The success of e-trailers and the whole process of online buying success depends on addressing the issues relating to security, brand image and price mechanism. An attempt is made in this paper to perceive the key determinant factors in the online buying decision of consumers.

Keywords: Online buying, e-marketing, Consumer perception, Social media.

1. INTRODUCTION

The fast changing technology and life-styles of consumers across the world have led to changing consumer behaviour in a speedy manner. The rapid changes in the business world particularly during the last two decades have greatly impacted the behaviour of both manufacturers and consumers. In the marketing arena there has been a remarkable shift from trade era to relationship approach and traditional media to social media marketing. Online buying, also called e-shopping has been the current trend of shopping in India. Online buying is the process whereby customers directly purchase goods or services from a seller in a real-time without any mediator, through the Internet. The expansion of business options beyond the traditional methods of marketing is possible with the advancement of Internet Technology all over the world.

As Internet is changing the shopping behaviour of consumer, companies are using internet to sell their products for reducing marketing costs and thereby decline in the price is evident. The evolution of internet as an effective marketing medium has become a global phenomenon over the years. E-mail marketing has come of the age with people spending more and more time on social networks. Consequently, E-mail marketing is regarded as one of the cheapest tools of marketing to reach vast audience instantaneously. Further, India has shown a remarkable growth in e-commerce and it is the third largest internet users country in the world after China and USA and the concept of online buying emerged and gradually developed with the launch of WWW. But, the main drawback perceived in online shopping is the absence of touch and feel factor. In spite of challenges facing, e-tailing has registered an unprecedented growth in India.

2. REVIEW OF LITERATURE

The study by Neha Jain (2014) on the e-marketing and the consumer decision making process concluded that an understanding of consumer decision making process makes organizations leverage the opportunities offered by the web. Organizations can enable to segment consumers and identify suitable strategies by analysing consumer characteristics. The paper by Dr.Hatein El-Gohary systematically reviewed and categorized the published literature in e-marketing. The author recommended for relying on triangular approach in conducting future research. The analysis by Dr. Sanjay Horda and Mr. Sandeep Agarwal (2012) revealed that people have dubious attitude towards e- marketing of products and services mainly due to security concern related to privacy. Proper boosting needs to be done both by producer and consumer for the growth of e-marketing.

The exploratory study by Ravi S, Achrd, Philip Kotler (2011) stated that there is paradigm shift from focus on production networks to consumption networks. The firms promoted mass consumption since industrial revolution era as per the study. Shang R.A Chan. Y.C, Kysander (2005) stated in their study that the internet has become an important channel for companies to provide to offer direct sales to consumers. Consumers extensively use the internet to check different

products and services. The research work by Darshan Parikh (2011) finds that all shopping orientations are significantly related to perceived usefulness and attitude towards using online shopping. The study revealed that shopping orientations and personality fit are very important for targeting online shoppers.

The study results of Su-Cheo Chang and Chi-Min Chou (2010) indicated that the antecedents of dedication-based and constraint-based influence the effectiveness of online shopping websites and the perceptions of online shoppers have indirect positive effects. The trust, security, internet, speed and responsiveness significantly affect online purchasers' behaviour as per the results of the study by D. Venkoba Rao (2006). The findings of research by Jayendra Sinha (USA) and Jiyeon Kim (USA) (2012) shed light on online retailing in India. The study suggests that after sales operations should be carried out promptly so that consumer would develop faith in the system. The research conducted by Srikanth CVVD and Rao TUM (2016) examined the factors influencing online buying behaviour of the consumers. It's overall results revealed that majority consumers perceived online buying in a positive manner in spite of several practical problems.

Purchasing decision is a critical process for any consumer. A group of people naturally accepts that internet shopping is one of the easiest ways of shopping. Before making a purchase decision most of the people likes to search about the characteristics of different products of same line (Dr.Girija Nandini, Dr.Alaka Samantaray 2020).

Consumers have both positive and negative experience while shopping online. The factors like fear of bank transmission and no faith, belief on traditional shopping, reputation and services provided, insecurity & insufficient information etc. limit the consumers to buy online (Bandia Daroch, Geetika Nagrath and Ashutosh Gupta 2020).

3. NEED FOR THE STUDY

Based on the review of literature, it is felt that there is a need to undertake an empirical research on the factors determining online buying behaviour of consumers. As internet allows customer to shop online, his characteristics play an important role in the decision to shop online. In India online consumer market is growing at an exponential rate and the category of consumers who are expecting convenience have become the most potential online buyers. Several research studies revealed that the increasing number in internet users has not been reflected in the online sales. The online purchase is not in consonance with the growing internet usage. At the outset it is felt necessary to conduct a study on the factors determining online buying behaviour of consumers.

4. RESEARCH OBJECTIVE

The prime objective of this paper is to evaluate the factors influencing online buying behaviour of consumers. In this process the personal factors that determine the online buying behaviour, risk perception and level of satisfaction of online consumers were also examined. The suggestions offered in this study based on the findings are expected to minimize or avoid the problems in online buying and in enhancing customer satisfaction.

5. METHODOLOGY OF THE STUDY

This study is based on primary as well as secondary data. The primary data was collected through a structured questionnaire to extract the opinions of the respondents. The questionnaire was designed to collect the opinion of customers involved in online buying and the factors determining their buying behaviour. In this study quantitative research was done with a goal of getting insight towards the online buying behaviour. The sample respondents belong to Vijayawada city and its surroundings in Andhra Pradesh State.

The sampling units were in urban area and the sample is initially based on purpose, convenience and judgement. It is typically based on representative sample which is used to describe the behaviour of the consumers. The respondent was either an online buyer or at least aware of online shopping. The pertinent information was also obtained from several secondary data sources like research papers, books, annual reports and websites.

6. RESEARCH HYPOTHESIS

With a view to analyse the factors determining online buying decision of the consumers, it was hypothesized in this study that there exists no significant impact of gender, age, occupation, education, income, opinion leadership while taking the decision relating to online buying of goods and services by the consumer.

7. DATA ANALYSIS AND INTERPRETATIONS

In accordance with the objective of this study i.e. to know the factors impacting online buying behaviour of consumers, opinions of the respondents were obtained through the execution of a questionnaire. A total of 425 consumers were selected from Vijayawada and its surrounding places.

The responses obtained from the sample consumers were thoroughly analyzed by using the statistical tool descriptive analysis. The descriptive analysis was made on socio-economic profile of the respondents. The values depicted in the tables indicate percentage values of personal factors and preference towards online shopping.

7.1 Gender-wise preference towards online buying

Gender significantly impacts the behaviour patterns of the consumers. Usually gender relates to the roles assigned to male and female in society. Gender is considered as a socio-economic variable consisting of the roles, responsibilities, constraints opportunities and requirements of male and female consumers in an economy.

Table – 1 Gender-wise preference of respondents towards online shopping

S.No.	Gender Category	Prefer online shopping	Do not prefer online shopping	Total
1	Male	218 (72.91)	81 (27.09)	299 (70.35)
2	Female	80 (63.49)	46 (36.50)	126 (29.64)
Total		298 (70.11)	127 (29.88)	425 (100.00)

Source: Compiled from primary Data

It can be observed from Table-I that majority of the male respondents prefer online shopping as they constitute nearly 73.00 percent of total respondents involved in the study, whereas about 27 percent of the male respondents do not prefer online shopping. Among the total respondents who were part of the study 70.35 percent were male respondents whereas the remaining 29.65 percent were female respondents. Majority of the male respondents (73%) prefer online shopping as against (63%) of female respondents. And 36 percent of female respondents do not prefer online shopping. Overall majority respondents happen to be male among the two genders and majority prefer online shopping it appears.

7.2 Age-wise preference towards online buying

Usually age is considered as an important demographic variable which reflects the life experiences. The consumer preferences may significantly change along with age. The respondents' preference towards online buying is assessed as follows.

Table – 2: Age-wise preference of respondents towards online buying

S.No.	Age group	Prefer online shopping	Do not prefer online shopping	Total
1	Below 18	6 (2.01)	3 (2.36)	9 (2.11)
2	18 – 24	108 (36.24)	44 (34.64)	152 (35.76)
3	25 – 34	123 (41.27)	41 (32.28)	164 (38.58)
4	35 – 44	19 (6.37)	22 (17.32)	41 (9.64)
5	45 – 60	37 (12.41)	15 (11.81)	52 (12.23)
6	Above 60	5 (1.68)	3 (2.36)	8 (1.88)
Total		298 (70.11)	127 (29.88)	425 (100.00)

Source: Compiled from primary data

It can be understood from Table-2 that age-wise majority respondents preferring online buying (41.27%) have been in the age group of 25 – 34 followed by 18 – 24 (36.24); and 45 – 60 (12.41). Among the age groups of below 18 years and above 60 years, the percentage of respondents preferring online buying is only around 2 percent. It can also be observed that majority respondents who are not preferring online buying are in the age group of 18 – 24 followed by 25 – 34 (32.28%) and 35 – 44 (17.32%). Thus it can be inferred that age of the individual plays a significant role in the preference towards online buying.

7.3 Education Qualification-wise preference towards online buying

Another key socio-economic variable impacting the online buying is the education level of the respondents. The consumer preference towards online buying based in the educational background is presented in the following table.

Table – 3: Education Qualification-wise preference towards online buying

S.No.	Education Qualification	Prefer online shopping	Do not prefer online shopping	Total
1	Post Graduation	163 (55.06)	76 (58.91)	239 (56.23)
2	Under Graduation	63 (21.28)	21 (16.27)	84 (19.76)
3	Diploma	4 (1.35)	3 (2.32)	7 (1.64)
4	Schooling	8 (2.70)	3 (2.32)	11 (2.58)
5	Others	2 (0.67)	5 (3.87)	7 (1.64)
Total		296 (69.64)	129 (30.35)	425 (100.00)

Source: Compiled from primary data

It can be observed from Table-3 that majority of the male respondents preferring online buying (55.06%) have post-graduate qualification, followed by under graduation (21.28). Among the respondents who do not prefer online buying i.e. 129 out of 425 sample also majority (58.91%) were post graduates, and 16.27% were under graduates. Overall among the illiterates 70 percent prefer online buying and 30 percent do not prefer online buying.

7.4 Respondents preference towards online buying based on their occupation

The social standing of the family is mainly determined by the occupation of the people.

Table – 4: Occupation-wise preference of the respondents towards online buying

S.No.	Occupation	Prefer online shopping	Do not prefer online shopping	Total
1	Government Employee	51 (17.01)	38 (12.94)	89 (20.94)
2	Private Employee	158 (52.84)	77 (60.59)	235 (55.29)
3	Self-Employment	18 (6.19)	4 (3.73)	22 (5.17)
4	Business	23 (7.99)	4 (2.94)	27 (6.35)
5	Home maker	7 (2.32)	6 (2.94)	13 (3.05)
Total		298 (70.11)	127 (29.88)	425 (100.00)

Source: Compiled from primary data

Table-4 reveals that out of the total 89 respondents, 51 government job holders are preferring online buying whereas 38 respondents are not preferring online buying. Out of 298 sample respondents preferring online buying majority i.e. 158 (52.84 percent) happens to be the private sector employees, followed by 23 business people (7.99 percent), 18 self-employment (6.19 percent) and the home makers category is 7 (2.32 percent). where as among those who do not prefer online buying, private employees are 77 (60.59%) and the Government employees constitute 38 (12.94 percent).

7.5 Income-wise preference of the respondents towards online buying

The standard of living and life style of a person is mostly decided by his income. The poverty and standard of living of a person are measured taking income into consideration.

Table – 5: Income-wise preference of the respondents towards online buying

S.No.	Annual Income (Rs)	Prefer online shopping	Do not prefer online shopping	Total
1	Below 2 Lakhs	74 (24.83)	29 (22.83)	103 (24.23)
2	Two to Four Lakhs	91 (30.53)	38 (29.92)	129 (30.35)
3	Four to Six Lakhs	56 (18.79)	18 (14.17)	74 (17.41)
4	Six to Eight Lakhs	18 (6.04)	17 (13.38)	35 (8.23)
5	More than Eight Lakhs	59 (19.79)	25 (19.68)	84 (19.76)
Total		298 (70.11)	127 (29.88)	425 (100.00)

Source: Compiled from primary data

As regards the impact of income level on the online buying preferences of the consumers it is clear from the table-5 that among those who prefer online buying (298), 30.53 percent is belonged to the annual income slab of Rs. 2 to 4 Lakhs followed by 24.83 percent below 2 lakhs category, 19.79 percent in the more than eight lakhs category and 18.79 percent

with 4 to 6 lakhs category. It appears that the consumer of middle income and upper middle income class prefer more online buying.

7.6 Internet usage and online buying preference

Information Technology explosion has brought in significant changes in the life style of the people across the world. Online buying mostly takes place with the people who are using internet. The online buying preference depending on internet usage is as follows.

Table – 6: Internet Usage impact on online buying preference

S.No.	Internet (Using / Not using)	Prefer online shopping	Do not prefer online shopping	Total
1	Using	282 (94.63)	118 (92.91)	400 (94.11)
2	Not using	16 (5.36)	9 (7.08)	25 (23.58)
Total		298 (70.11)	127 (29.88)	425 (100.00)

Source: Compiled from primary data

The status among the sample respondents of this study with regard to internet usage impact on online buying can be glanced from table-6. About 95 percent of the consumers who are using internet have been preferring online buying whereas among those not using internet it is only 5.36 percent of respondents preferring to buy the goods online.

7.7 Opinion Leadership impact on online buying

In the consumer decision-making process opinion leadership plays a significant role. The influence on online buying by initiators can be identified from the following.

Table – 7: Opinion leader in online purchases

S.No.	Opinion Leader	Prefer online shopping	Do not prefer online shopping	Total
1	Self	157(52.68)	0(0.00)	157(36.94)
2	Spouse	9(3.02)	0(0.00)	9(2.11)
3	Children	46(15.43)	0(0.00)	46(10.82)
4	Friends & Relatives	79(26.51)	0(0.00)	79(18.58)
5	Others	8(2.68)	0(0.00)	8(1.88)
Total		298(70.11)	127(29.88)	425(100.00)

Source: Compiled from primary data

The Consumer buying decision process is usually impacted by opinion leaders. As per this study majority consumers (52.68%) take online buying decision on their self, followed by friends & relatives (26.51%), children (15.43%). The null impact was identified among those who do not prefer online buying with regard to the opinion leadership.

8. MAJOR FINDINGS

From the foregoing analysis of consumer behaviour it was observed that there is a major shift from traditional marketing channels to modern marketing channels. The extensive usage of internet by people has brought a revolutionary change in their buying decision-making process, which is evident from using nearly 71 percent of respondents considered in this study are buying the products / services online.

It is evident from the respondents' perception that online buying provides satisfying experience to the customers as online shopping sites offer attractive offers, cash on delivery, competitive prices on the products.

Online buying tendency is very high among people using internet. There exists a slight difference between male and female respondents towards online buying. As female consumers getting educated, preference for dual spouse income as well as changing socio-cultural environment etc are causing increasing trend among the female consumers also towards online buying.

It was found from the study that the younger ones prefer more for online buying as they adapt themselves to internet usage. Compared with female online buyers male consumers value much the life style and attitude. At the same time employed customers are highly inclined to online buying.

Generally young and single ones prefer more for online buying compared to married persons. As regards family size majority respondent consumers who prefer online buying consisted of four members in their family.

The educational background and income levels of the customers have a significant bearing on their preference towards online buying Majority customers choosing for online are with post-graduation as their education. People with high-income levels are preferring online buying.

The results of the study made it clear that in the online shopping process, majority consumers are giving much importance to the factors like payment system, low prices, wide choice of products and delivery system.

It was also found in the study that the customers' positive feelings about the cost efficiency, service quality, wide range of brands, and convenience in buying have developed positive attitude towards online buying. Majority people buying online are influenced by friends and relatives.

The website security perception can be considered as an important construct. The information content, additional services offered and web-advertisement show a significant impact on online buyers. Most of the online buyers prefer credit card as the most suitable option for their payments.

The perception of the respondents regarding online advertising reveals that online advertising is a source of information about products and services, but they are expecting more clear picture of products and services. Moreover, significant number of customers resist to buy due to security reasons involved in online buying.

9. CONCLUSION

There has been a progressive change among the people with regard to online buying. Online buying has become extremely popular over the last decade. Eventhough several doubts and practical problems exist respondents have perceived online buying in a positive manner. E-Marketing is gaining popularity not only among younger generation but among all age-groups of people. Prominently the education, income occupation of the consumers are showing a great influence on the online buying pattern of the consumers.

The marketers need to prioritize the consumers implicit and explicit requirements for creating conducive online shopping environment. As there are no or less middlemen involved in e-marketing, price bargaining factor needs to be incorporated. It is suggested that online buying websites have to adopt several trust-building strategies for safe online buying. It can be suggested that the perceived privacy of customer information can be protected by avoiding obtaining

irrelevant personal information. Inhibitions and practical problems exist with online buyers with regard to return or faulty products. The companies shall make an extensive arrangement to satisfy the consumers on this matter.

The success of e-tailers and the whole process of online buying success depends on clearing security concerns, brand image and price mechanism. E-tailing sector in India has recorded a tremendous growth in the recent past and at the same time is facing many challenges. Hence there should be a concerted effort to change the mind-set of the consumer thereby drive the consumer towards online buying.

10. LIMITATIONS OF THE STUDY AND SCOPE FOR FUTURE RESEARCH

The study is limited to online buying behavior of consumers belong to tier-2 city i.e. Vijayawada and its surrounding places in Andhra Pradesh state only, hence, it can't be generalized toward other cities. In survey-based data studies, the respondents may not accurately recall instances related to their experiences. Further, the empirical results may vary based on the providers of goods and services. This may be limitation of the research.

Further studies might consider the types of cities i.e. Metros and tier-1 cities and also the rural segment. Future researchers might also analyze the impact of other factors like opinion leadership, service quality, technology on the online buying behavior of consumers. The studies can also be held on specific product categories.

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12. AUTHORS CONTRIBUTION

Narasimha Rao Vemula is the sole author and is responsible for writing the research paper. The setting of objective, analysis of data and drafting of final conclusion is independently done by the author.

13. CONFLICT OF INTEREST

The author certifies that he has no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in the manuscript.

14. FUNDING ACKNOWLEDGEMENT

The author received no financial support for the research authorship, and publication of this research paper.

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