

Web Experience: Factors influencing online consumer buying behavior

Dr. Sunanda Vincent, Asst.Prof

&

Meena Rajesh, Asst. Prof, HOD

G H Raisoni Institute of Management & Research, Nagpur

ABSTRACT

Advertisers and marketers around the world are collaborating to perfect what they are calling a 'media and marketing ecosystem. Harnessing the interactive capabilities of social networks, broadband video channels, mobile services, video games, and virtual worlds, marketers are, focusing much of their attention on youth. In this era of E-age consumer behavior is rapidly changing as the digital marketing is evolving rapidly in every business segment. The digital transformation is not restricted to one product or brand or product segment or country or set of people. In fact the digital evolution has spread across products, segments, markets, countries and generations. The Research paper addresses one of the fundamental issues of e- marketing: how to attract and win over the consumer in the highly competitive Internet marketplace. It analyses the factors affecting the online consumer's behavior and examines how e-marketers can influence the outcome of the virtual interaction and buying process by focusing their marketing efforts on elements shaping the customer's virtual experience, the Web experience. The online companies are delivering superior Web experience to influence their physical clients' perceptions and attitudes, driving additional traffic than to traditional sales outlets. The Research paper provides a contribution to the theoretical debate around the factors influencing the online behavior of Indian.

Key words: Internet marketing, worldwide web, online operation, Consumer behavior, buying behavior

Introduction

With the explosion of Internet, smart phones and other mobile devices businesses across the world have started adopting an effective digital strategy. It is an established fact that there is a growth of internet access and mobile device. Business houses are using technology and mobility to their advantage, particularly for digital marketing, with the use of rich consumer data.

Indian youth of 21st century is very aggressive, volatile and impulsive. Today's youth population has a much different consumer behavior. Today's youth is internet lover. They explore internet widely and do a lot of research before they make a purchase decision. For them the reviews and peer opinions matter to them more than what the manufacturing company proclaims about its products or services. Marketers feel that today's youth need to be "pulled" than "pushed". With the growing internet penetration and advent of high speed 4G internet arrival in India, Gen Y population is bound to distend and change further. Their awareness level is higher than their previous generation. Their demand is never constant and keeps on changing change. Hence, they can't be satisfied easily. They are very active and well connected through social networks and hence, can be influenced through the same. This generation has considerable amount of disposable money and they prefer to spend it on fitness, gadgets, clothes, acquiring lifestyle products, hoteling, surfing the net, holidaying, etc.

Marketers feel that today's generation is open to risk and is willing to try anything and, as a result, marketers are ever willing to try innovative strategies. The youth can be characterized as those consumers who are willing to try new products. This young lot of ready to try out new products and brands is also trendsetters which are powered by an increasing purchasing power. Unlike their yesteryear contemporaries, they decide how they want to spend, and what they want to spend on and where they want to buy and at what price they would buy.

Digital marketing, currently accounting for Rs350 crore of the Rs22,700 crore advertising market, is set to grow at 150% over the next three years, according to a joint study by audit and consulting firm Ernst and Young and industry lobby Associated Chambers of Commerce and Industry of India.

According to the Internet and Mobile Association of India (IAMAI), an industry body, around 40,000 brands targeted at Indians advertised online last year, and the numbers are increasing. “The early adopters of the Internet and mobile are younger people,” says Subho Ray, president, IAMAI. “This segment consumes much less of television and even less of newspapers, and much more of mobile and the Internet in the course of the day, at least in some marketing segments,” he adds.

Source:

<http://www.livemint.com/Consumer>

Research Methodology

This study is basically exploratory in nature and the entire study has been made on the basis of secondary sources. Secondary data are collected from various websites, newspaper articles and other journals covering the mentioned topic. For the present study, the data have been collected from mainly secondary sources which cover the period from 2000 to 2015 (for data collection).

Significance of study

The web revolution has changed customer shopping habits and with rapid technological developments accessing the internet has become easier than ever. People can access the internet whenever and wherever they like. Web revolution has made it a possible reality now for the customers to purchase virtually anything at any time sitting in the comfort of their home and office and even when they are mobile from one place to another and at the same time the marketers gained a direct access to a wide range of markets and multi-cultural customers across political borders. Digital marketing has made customers updated with the latest product and brand information. The new age customers can browse at their comfort, without being physically present in the shops, all about the products and compare the prices and other product attributes. Digital Marketers have revolutionized the way they markets formulate and float their strategies, gather information about their prospective customers, communicate with them and then measure results of their promotional activities. The present study aims to examine the critical drivers that influence online shopping behavior in view of the e-marketers strategies and general economic environment and the changing consumer behaviour.

Objective

The objective of this research paper is to study the impact of online shopping and find out the factors influencing online buying behavior of Indian consumers.

Data collection

The analysis is done on secondary data. The data collected is mainly from websites, annual reports, and research reports and already conducted survey analysis, newspapers, websites, and other journals covering the mentioned topic.

Review of Literature

The typical Internet user of the twentieth century is young, professional, and affluent with higher levels of income and higher education (Palumbo and Herbig, 1998). They value time more than money which automatically makes the working population and dual-income or single-parent households with time constraints better candidates to be targeted by non-store retailers (Burke, 1997). Actually, both demographics and personality variables such as opinion leadership or risk aversiveness are very important factors that are considered in studies trying to determine the antecedents of Internet purchases (Kwak et al., 2002).

Confirmatory work shows that *income* and purchasing power have consistently been found to affect consumers' propensity to shift from brick-and-mortar to virtual shops (Co-mor, 2000).

Internet usage history and intensity also affect online shopping potential. Consumers with longer histories of Internet usage, *educated* and equipped with better skills and perceptions of the Web environment have significantly higher

intensities of online shopping experiences and are better candidates to be captured in the well-known concept of flow in the cyber world (Sisk, 2000; Hoffman and Novak, 1996; Liao and Cheung, 2001). These educated lot of customers acting to be more confident and bold decision-makers, are much more demanding and have greater control over the purchasing process from initiation to completion (Rao et al., 1998).

Factors Affecting Online Consumer Behavior

There are several factors that affect the online shoppers. It can be divided into three characteristics:

- Consumer characteristics
- Marketer's Endeavors
- Economic Scenario

Consumer Characteristics

Income is found to be one of the influencing factors that have a considerable impact on online consumer buying behavior. Studies reveal that higher income group has access to and knowledge of Internet and computer and smart phones. Higher income group also are more ready to take the risk of shopping online.

Education is one more demographic factor that influences the shoppers to shop online. Internet is accessed more by those users are educated. Education is considered correlated to Internet and online shopping. It has been observed that better educated people are bound to be more techno savvy and find it easy to use internet and therefore do online shopping with ease.

Age is yet another factor that influences the online shopping. It has been found that the youth falling under the age of 15 to 35 are more digital oriented and prefer to shop on web. Today's youth is educated, well informed, considerably exposed, highly digital and social, and because of this have high expectations and demands from the marketers. These new age youth demand a seamless, digitally enabled, less time consuming shopping experience.

Marketers' Endeavors

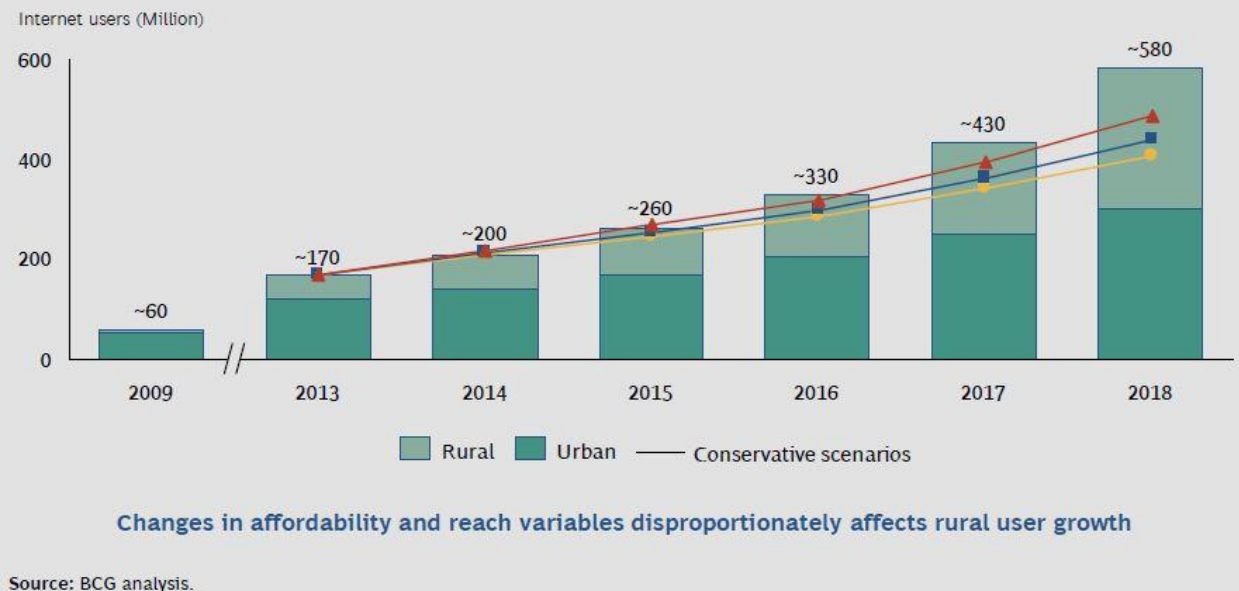
The ecommerce companies have also geared up themselves for this new age consumers who are tech savvy and internet loves with high disposable income. The online retailers make their sites so easy to access and easy to use that consumers are lured towards it due to their simplicity. Besides they have improved upon the delivery side making their logistics strong. Marketers have also worked upon many strategies like refund and exchange and cash on delivery which has actually won the trust of the customers. E-tailers have also improved upon the transaction security, vendor quality, product price, information and service quality, system quality, privacy and security risks and product quality. The markets are constantly attracting the customers on their sites through huge discounts and offer.

Economic Scenario

The general scenario of economy of the country also plays a major role in the online shopping behavior. Indian society is transforming due to ecommerce revolution which has revolutionized the entire marketing models and practices. The ways and means of reaching the customers are multiplying rapidly. Newer technologies of reaching to the customers, presenting and promoting products have surfaced.

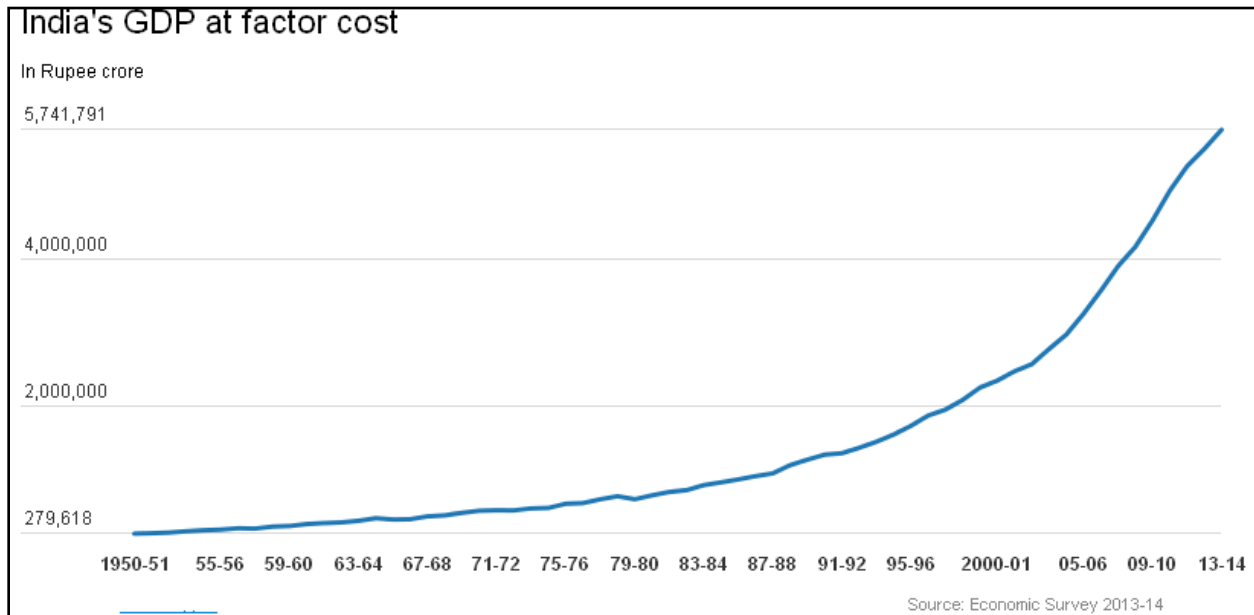
The Indian population is fast becoming internet savvy. Internet access and digital shopping is intensifying among the Indian population. Huge number of people spends more time online in India every year, and the digital sites mobile apps that they use are changing their lives and their shopping behavior.

Exhibit 1 | India Internet Population to Reach Half a Billion by 2018



Source: BCG analysis

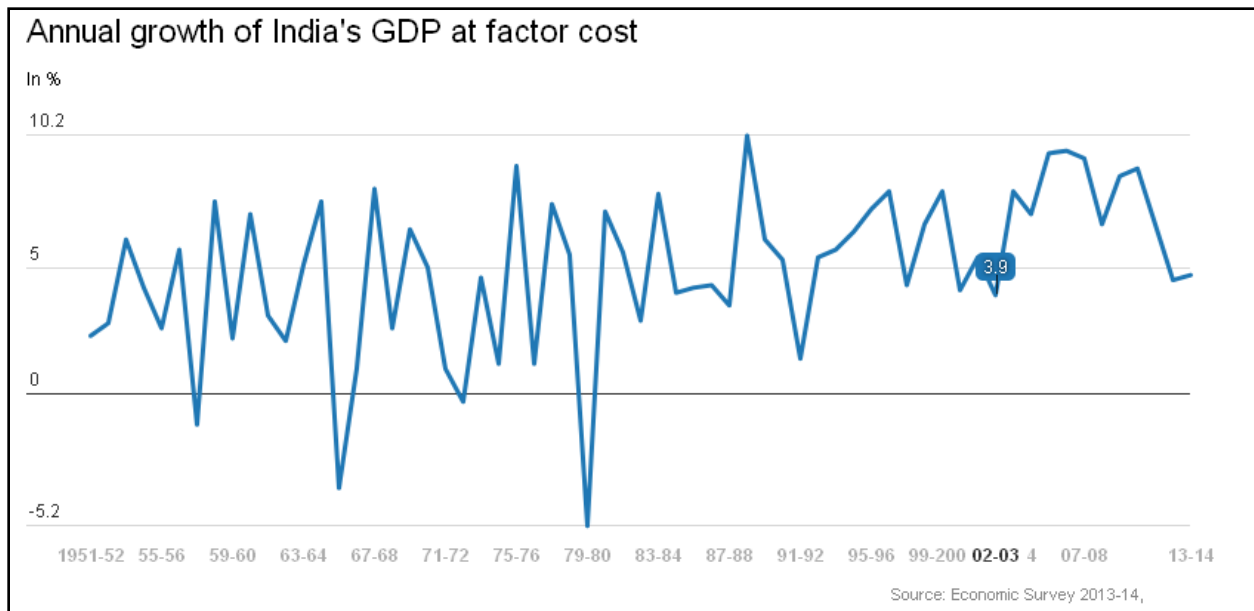
Besides Indian economy has improved and growing steadily on a growth path. The percapita disposable income has seen an increase in the recent times. This has fueled the consumption pattern of the Indian consumers. The biggest chunk of population of Indian right now comprise of youngsters who are earning, tech-savvy and are exposed to the global changes and hence are more knowledgeable and demanding. According to a recent report from Canada based TechSci Research, expanding smart phone user base, huge discounts and offers, increasing per capita disposable income and the growing youth population will be the drivers for the predicted compounded annual growth rate of 36 per cent. (<http://economictimes.indiatimes.com>). The gender and age composition, education level, household composition and demographic distribution of the Indian population have witnessed significant changes in the recent times and have considerable implications upon the online marketers. India's GDP, in absolute numbers, has grown from a mere Rs2.7 lakh crore to Rs57 lakh crore in 67 years of independence (*Source: Economic Survey 2013-14*) as shown in the figure below:



Source: Economic Survey 2013-14

Annual growth of GDP (In %)

Indian economy grew significantly with an almost double-digit level between 2005-06 to 2007-08. The growth was slowed down during 2008 till 2010 due to global recession. However it picked up again with government initiated economic reforms.



Source: Economic Survey 2013-14

Conclusion

In this era of E-age consumer behavior is rapidly changing as the digital marketing is evolving rapidly in every business segment. The digital transformation is not restricted to one product or brand or product segment or country or set of people. In fact the digital evolution has spread across products, segments, markets, countries and generations.

Over the last few years, there has been many improvement and changes in the product quality and product delivery and in the payment structure by e-commerce companies. This has driven more number of consumers to gradual swing towards online shopping. Some of the major segments that got the thrust and growing rapidly are consumer electronics, apparel, accessories, footwear and online travel.

Consumers have transformed in their shopping behavior towards the online shopping. Today's generation is more technology educated and technology oriented. They have less time and expect a seamless and digitalized shopping experience. Since they have more money at their disposal they prefer shopping on the web through a digital mode – compute, laptop, mobile and tablet. Hence, these days there is more inclination of today's consumers towards the digital shopping. Besides, Etailers have also increased their bars and constantly improving upon their services and their performance. With continuous advertisement and varied product ranges, offers, and discounts the Etailers have been successfully attracting the consumers towards their portals. A unification of substantial product information, online functionality, security and payment convenience has also enhanced the prospects of online traders. Google is all set to help India implement Prime Minister Mr Narendra Modi's "Digital India" initiative, and the government has a well laid out plan to realise it, said Google's Chief Internet Evangelist Vinton G. Cerf. Digital India is Rs 1.13 trillion (US\$ 17.01 billion) government initiative that seeks to transform the country into a connected economy, attract investment in electronics manufacturing, and create millions of jobs and support trade. Indian digital shopping is going to experience a huge wave of change even now and it is going to evolve even still further. With government initiation and different programs and schemes that the government will float the digital marketing in India will be lifted up in the times to come. More number of startups belonging to tech category will also fuel the growth further.

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