HOW ONLINE SHOPPING IS AFFECTING CONSUMERS BUYING BEHAVIOR IN INDIA?

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ABSTRACT

Internet has developed in new delivery channels electronic transactions are increasing rapidly. This need has arisen to understand how they perceive directly to buy consumers. Most of the people who use the internet to purchase goods online, but that there are still some reasons for which consumers are reluctant to buy online. The attitudes of people toward the purchase online are different in India. The purpose of this study is to review the factors felt reservation of consumers in online shopping.

The main objective of this research is to study, especially what are factors affecting the consumers directly for online shopping. To this end, a survey was conducted and the 120 questionnaires were distributed among the students of different universities and the general public. The replies have been analyzed by means of frequency distribution, average and chart analysis.

The results of the survey analysis has shown that most of the people already shopping online and prefer to make their purchases online, but there are some factors such as psychological factors, social factors emotional factors, and the privacy factors which affect the buyer attitudes of online purchases. The protection of privacy and security are major problems that affect the behavior of the population to buy online. Various attitudes of consumers toward online shopping are not in rest in the study which reveals that the purchase online is easy, comfortable and better that conventional shopping due to various factors.

Price, the trust, the convenience and the recommendations have been identified as important factors. Price was considered to be the most fascinating and affecting factor for the majority of students and the general public. Most of the consumers hesitate not to do shopping online, because of the insecure payment and transactions systems.

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Introduction

It has been more than a decade since the e-commerce first evolved. Researchers and practitioners in the electronic commerce constantly strive to obtain a better insight in consumer behavior in cyberspace. With the development of the retail E-commerce, researchers continue to explain E-attitude of consumers of different perspectives.

E-commerce is the buying and selling of the goods and services online; internet is the best source to use this tool. Today the amount of trade that is conducted electronically using e-commerce has increased with a wide spread usage of internet and technology. E-commerce includes transferring of funds online, supply chain management, marketing over internet.

The invention of the internet has created a new pattern of the traditional way people shop. Customers are no longer tied to the opening hours or specific locations; it may become active virtually at any time and any place to purchase products and services. The Internet is relatively new medium for the communication and the exchange of information which has become present in our daily lives. The number of Internet users is constantly increasing, which is also significance that online purchasing is increasing rapidly.

Today managers are tapping into the power of e- commerce. Observing many feasible solutions to sinking business sector of India, a large number of firms have acquired e-commerce for their business and have progressed through this tool. E business has emerged to be the one of the most important marketing and sales tool. With the help of e business you can purchase anything that is available on the internet.

Critical understanding of consumer behavior in the electronic environment, as in this physical world, can be achieved if the factors that affect the purchase decision are ignored or unequivocal. For example, online consumers' fears about the lack opportunity to examine products before purchase specifically regarded as influential factors in direct purchase decision. Therefore, several researchers have proposed that the consumers' purchasing behavior in online shops can be fundamentally different from that in the traditional environment. More online buyers and frequent use of the Internet shopping expected more often will be marketed and enhances their confidence on web site for the less online prevalent and buyers. It is clear that some electronic markets unique characteristics. If the electronic means any ignored basic facts about consumer behavior, and because of this point more than promises

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and marketing electronic in this context business to consumers will not be achieved.

Through e business different type businesses has gained an opportunity to increase their sale and can maintain a direct relationship with its customers without any other person between you and your customer. E-business has helped a lot in the globalization of businesses throughout the world. Companies can easily market their product in the whole world and can create great market of their product.

Ernst & Young (2000) is stated that its cost and competitive prices, due to the purchase on the internet delivery but the products cinch to review the system and fear of credit card hacking consumers are major concern. Internet shopping refers to purchase of goods and services through the Internet.

An internet negotiate incarnation applies to the psychological state of our customers, in terms of online shopping. Consumers are reluctant to buy products online and it has many reasons for this phenomenon because they consider that they do not believe in the process of online purchases for the insecurity of credit or debit cards, the passwords, the process of hacking information, less time to devote, unreliable, untrustworthy, a breach of privacy and social risks.

Research Objectives

What are the main factors, which concerns the on-line consumers to shop online on the Internet? & how these factors influence the consumers, when shopping online?
Why is it that consumers delay or hesitate to make decision for shopping online?

Literature Review

According to (Vesterby & Chabert, 2001) the internet can make it easier for businesses to have information on their products and services available to their potential customers. A company can meet the individual needs of the customer information to a lower cost per report to the dispatch of product catalog. (Vesterby & Chabert, 2001) asserts that the businesses without physical presence must market themselves considerably, both online and off line, for that the consumers to remember their name.

Changchit, Douthit, and Hoffmeyer (2005) Conducted a study on online shopping was related to online some interesting factors which is about to effect of online shoppers when they purchase from a website, more or less feedback to buy or to the website. They have been discussed the success of the business online burden on their ability to attract and retain for customers to their customers are able to better use of their time than the prices and to get any type of product information through internet.

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The online business plays a major role in the global economy and should continue in the future. The interesting aspect is that the image of the product has the highest mark for this which is to attract the customer to visit the web site. In fact, the need to see the photo of the product is not important that to save money. The consumer of response more is too free delivery, tax saving.

Information technology provides online consumers with tremendous access to information products and services from anywhere in the world and from different sources other than solely from the product seller. The combination of less time available for shopping, limited information-processing capability and the explosive amount of information on the web has, however, led customers to demand more control, less effort and greater efficiency during shopping . In order to respond to the customers' desire for control and convenience, web stores have to design an efficient system to enable consumers to easily find what they need, learn more about it and quickly make a purchase decision [Baty and Lee, 1995].

Regarding prior studies in the domain of marketing management (Taylor, 1974; Spence et al., 1970; Woodside, 1974), the perception of risk has been examined to gain an understanding of consumer purchasing behavior. Especially in the domain of Internet shopping, Bhatnagar et al. (2000) identified two predominant types of risk: product category risk and financial risk. Product category risk focuses on the product itself and is allied with the customers' belief as to whether the product functions according to their expectations. Financial risk corresponds to the Internet as a safe purchasing medium for customers. It is involved in the transaction whether there might be a risk of losing money via credit card fraud.

Donal Rogan (2007) explains the relationship between consumer behavior and marketing strategy. He states that strategy is about increasing the probability and frequency of buyer behavior. Requirements for succeeding in doing this are to know the customer and understand the consumer's needs and wants.

Chisnall (1995) points out that human needs and motives are inextricably linked and that the relationship between them is so very close that it becomes difficult to identify the precise difference which may characterize them. People may buy new coats because it protects them against the weather, but their real underlying dominant need may be to follow the latest fashion trend.

Impulse buying increases when there are offering for sale or promotion of the product is being done. When announced in product online is proposed to the persons respond to advertising by purchasing more and more products as well as for direct marketing of massage. (Nina koski, 2004).

Monsuwe *et al*. (2004) created a framework to work through their study that would allow the

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consumer's understanding its attitude toward online shopping. The attitudes and beliefs are separated from the consumer psychological characteristics and mainly determined by the learning and prior experience. Sensitive to the evolution of the prices the buyers are mostly in relation to the purchase of products at the lowest price or get the best value for the money they spend through online shopping (Bellenger, 1980).

Monsuwe *et al*. (2004) made a comparison of the traditional way of shopping and online shopping and comparison has shown that shopping online is more convenient to make purchases compared to the traditional ones. This has principally concluded on the fact that the internet allows for more information must be collected in minimum quantity of the effort, the convenience and invested time by the consumer.

Smith and Rupp (2003) have examined and identify the factors in their work that affects the behavior of consumers. These issues have been identified as for the marketing effort, socio-cultural influence, emotional factor, the psychological factors and privacy factors, to the experience, the purchase and post -purchase decisions. They also show that consumers are affected by various psychological factors, such as perception, motivation, personality, attitudes and emotions.

Due to the importance of making consumers feel secure and comfortable, the author argues that the information concerning the security must be to the mediation consumers in such a way that the sense of security is increased. The study clearly indicates that the trust and convenience are major influence for the online consumer shopping behavior, even if they are influencing the decision making process Smith and Rupp (2003).

Price which is a part of the marketing mix is a factor used to stimulate the consumer and is also communicator, to negotiate and a competitive weapon. The consumer can use price as a means to compare products, judge relative value for the money, and the judge quality of products. It is estimated that this factor has a considerable influence on the consumers during their online shopping Brassington & Pettitt (2000).

Research Methodology:

According to Trochim (2002), bedded random samples can be used where the entire population can be divided into sub-units, and then randomly selected from these entire groups. Various methods like questionnaires and observations have been used by investigation for study in the come up to online shopping between different gender, different demographic areas, in different types of age group interests of expectance, interest, based on the study, the design of a questionnaire survey which is chosen as the

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only enormous public and professionally.

The study was to examine the attitude of the 120 of the people to fill questionnaire on online shopping based on closed ended questions. Data was gathered through different population of Teachers & students from different institutions and from the general public with different professions. Questionnaires were circulated among 80 teachers & students and 40 from the general public from Faisalabad region in India. They have been asked to give the answer Yes, No and Don't Know. It has been found that different types of obstacles are related with the reasons of the various stages, of online shopping uncertainty. Various suggestions for the study of the conclusion of reduction in delay strategy and consumers online decision to support the hesitation near them. It should be ensured that responses are the validity of the research.

Data Analysis & Findings:

**Table 1: Demographic summary of survey participants**

Category		Frequency	Percentage
	Male	84	70%
Gender	Female	36	30%
	Total	120	100%
	16- 25 years	80	67%
Age	26 – 35 years	32	27%
	36 & Above	08	6%
	Total	120	100%

Table 1 illustrates this survey results 70 % of male and 30 % of female respondents participated in the online shopping survey. At the same time as 67 % of the respondents in the survey plunge into the category of 16-25 years age, 27 % participants plunge into the category of 26-35 years age group, while

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rest of the respondents 6% plunge into the category of 36 years age and more. The results of the survey reveal that investigation on online shopping attracting mostly young population age group of 16 – 25 years old.

Online shopping is a new thing for people in India. But according to the survey results chart 1 show that people are very rapidly moving towards online shopping. About 57% of the respondent replied that the have enjoyed online shopping and 43% of the respondent declared that they have never experienced online shopping at all. More people of India will try to do online shopping in the future.

Chart 1: Online Purchase

43%

57%

- ■ |Purchasde Online
- □| Not Purchased Online
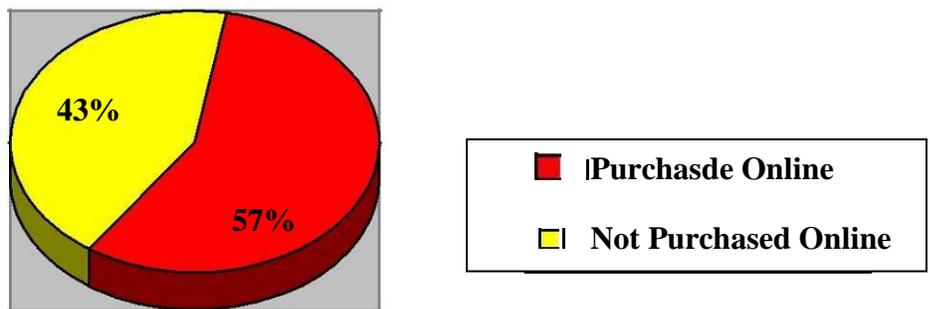
Stupendous & enormous expansion of Internet from the last decade, the people of India are taking interest in online shopping. When people try to do online shopping while they are sitting in their homes and work place, after getting good service response, quality of product, competitive price and on time delivery through online shopping, they always try to recommend their friends and family members for online shopping.

Chart 2: Recommended Online Shopping

40%

60%

- ■| Recommended Online Shopping
- ■ Not Recommended
  Online Shopping
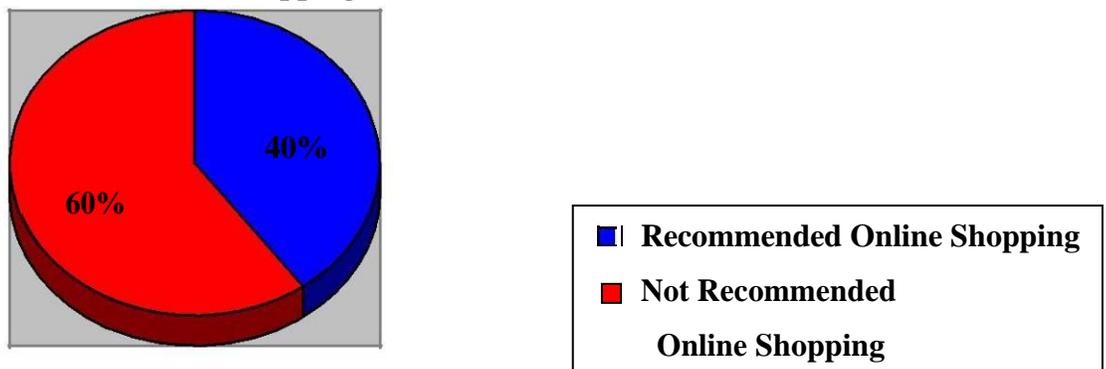
According to the survey results chart 2 be evidence for that about 60% of the participant were not recommended by someone to purchase online products, at the same time only 40% of the people were recommended by some one either their friends or family members to do online shopping. By the passage of time recommendations will increase through awareness programs on online shopping in India.

Time is the major concern for the people while shopping online. All and sundry desires to save time while shopping. Majority of the people are time conscious when they are involved in shopping whether physical shopping or online shopping.
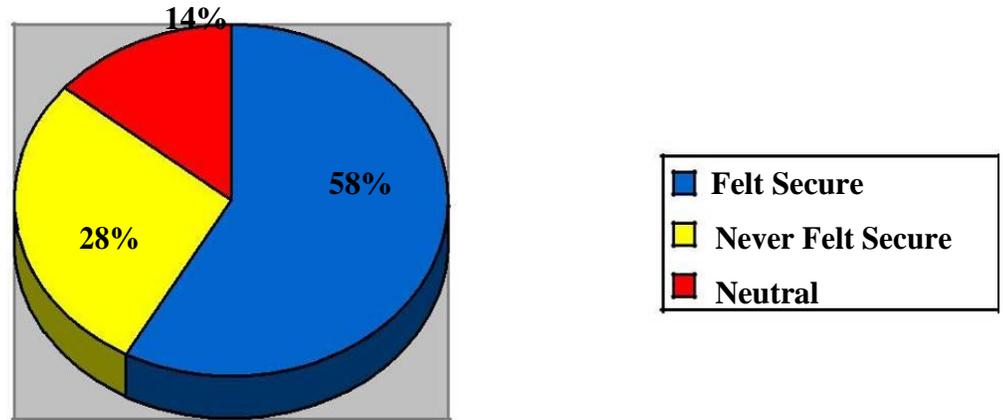
The overall results in chart 3 demonstrate that about 70% of the people positively believe that much time is saved while shopping online because it is the fact that when shopping online from home or office does not involve to leave that place, that could be consider as a time saving. On the other side about 27% of the people have neutral attitude about this and 3% of the people have negative attitude towards time saving factor through online shopping.

Chart 3: Time Factor in Online Shopping

- ■ Positive Attitude on Time
- ■ Neutral Attitude on Time
- ■ Negative attitude on Time
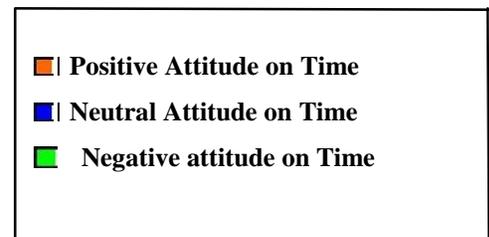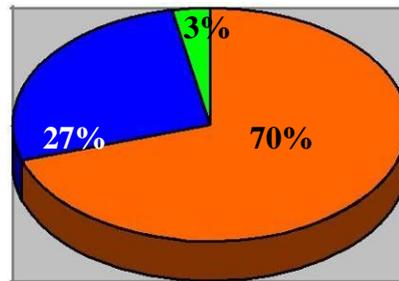
Trust and security is the main factor that hinders people from purchasing online. This will investigate overall respondent attitude towards trust and security when shopping online. It has been asked from the respondent how much they felt secure when shopping online. The use of credit and debit cards and other account details while shopping online creates a risk of disclose of personal details due to which it could be misuse of personal and account information of the customer.

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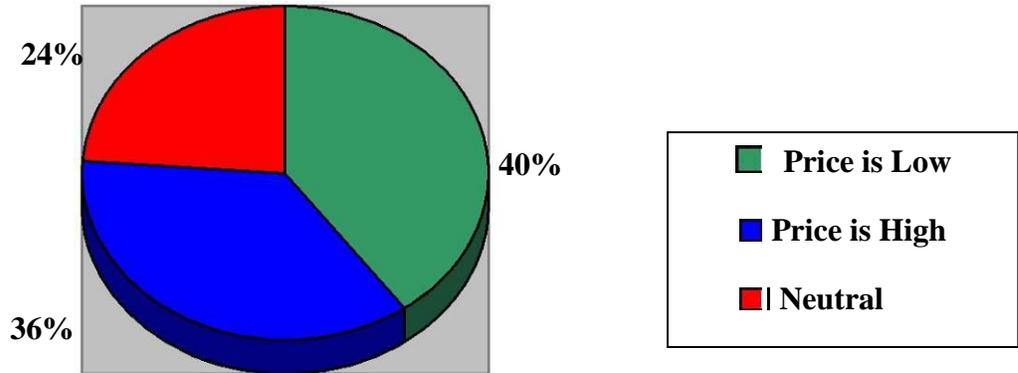80 | P a g e

Chart 4: Trust & Security Factor

According to survey results chart 4 illustrate that majority of the respondent about 58% of the consumers felt secure for online shopping and it is very important for the people to feel secure when purchasing goods online. At the same time about 28% of the respondents not felt secure when doing online shopping. About 14% of the respondents were neutral in trust and security factor for online shopping. It is enlightening that majority of the respondents have positive attitude towards feeling secure when shopping online in India.

Price is the major concern that people in India takes in consideration before purchasing online and people have mixed fear that cost is usually high. Price factor involves checking the respondent's attitude to save money when shopping online.

Chart 5 demonstrate whether the respondent felt that they are saving money when they are shopping online as compare to physical shopping. It shows that about 40% of the respondents believe that the Price is not high when shopping online and they had saved money and it is very crucial to save money when shopping online in India because income of the people is very low. About 36% of the respondents believe that the cost is usually high through online shopping and they have not saved money. At the same time about 24% people say either the cost is high or low. Their attitude towards price factor was neutral.

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Chart 5: Price Factor

Through online shopping we can get the product easily by just typing the keywords of the product rather than physically finding the product in the market. Online shopping has facilitated the customers to get their required product from internet according to their needs and demands by just entering the details and needs about the product. Most of the respondents perceived that online shopping involves less effort than physical shopping.

Chart 6 results confirms that almost 49% people have opinion in accordance with this fact that online shopping is convenient and easy as compare to shopping in the market. On the other side about 19% were in opposition to this perception that it is not very convenient and easy for every one to find the right product easily through online shopping. About 32 % were neutral in this regard that online shopping is neither convenient nor inconvenient. Overall respondents have a positive attitude towards online shopping is convenient.

Chart 6: Convenience Factor
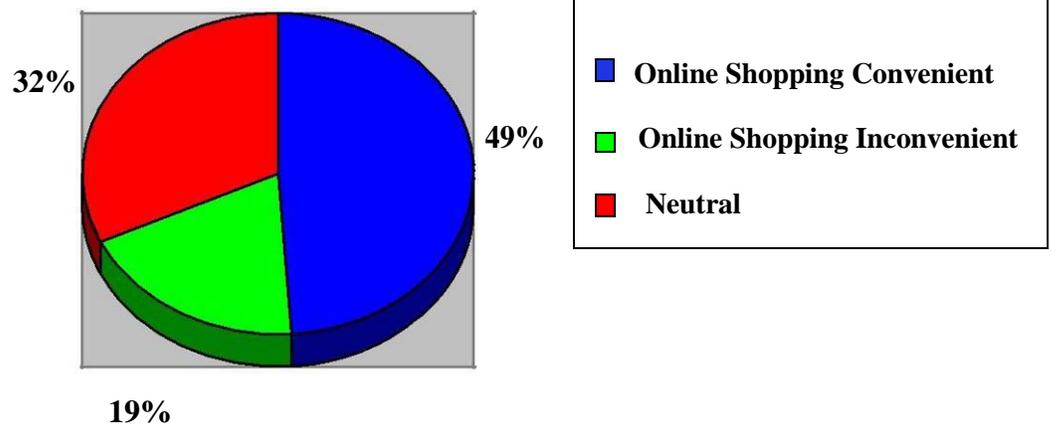
Every one prefers the website for online shopping which is familiar with the language that a person knows so that he or she can easily understands the particulars about the product to shop online but if a

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consumers does not know the language he / she would not be able to purchase any thing from that particular website and the consumer prefer to shop physically rather than online shopping.

This chart 7 illustrate that overall respondents have positive attitude towards website language which is convenience for online buyers to shop online their products easily. About 48% of the respondents have agreed with this expression and 30% are neutral in this regard and 22% of the respondents weren't agreed with this factor.
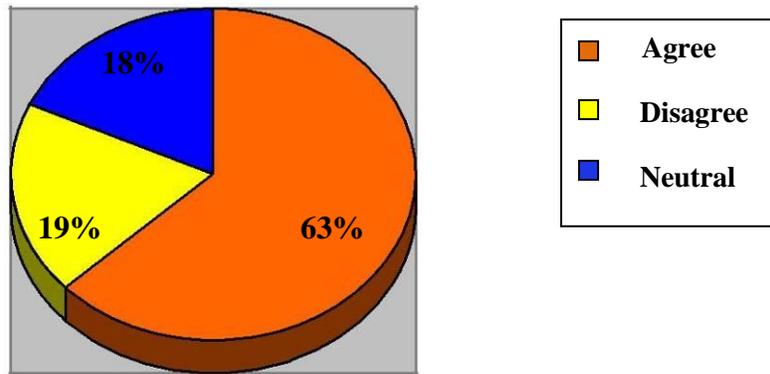
Chart 7: Familiar with Website Language
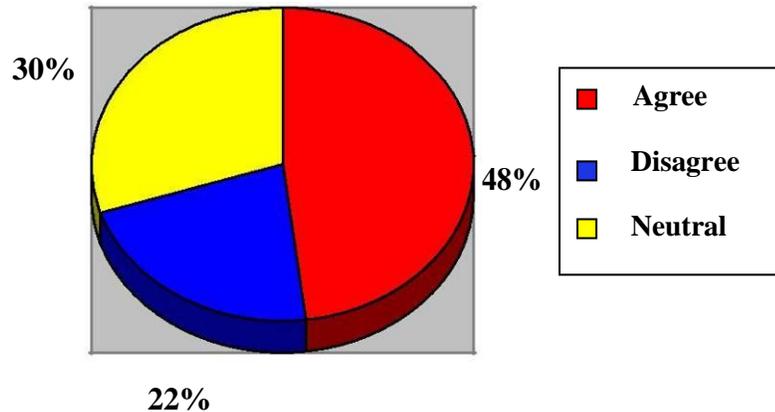
Through online shopping different companies have found opportunities to market their products in the whole world due to which they can easily increase the sale of their product. While another factor is consumer receiving discounts on online shopping. Sometimes different companies introduce different discounted deals for its customers but dealers do not sometimes let their consumers to enjoy those benefits but through online shopping consumers can get discounts directly from the company.

The results of the survey in chart 8 demonstrate that about 63% of the respondents have agreed with this contemplation that different organizations would be able to market their products or brands through online shopping via Internet and they can offer cash discount deals on online shopping instantly. About 18% of the respondents neither agree nor disagree on online marketing and get discounted deals directly. Only 19% of the respondents were in opposition to this stance and they had never get discounted deals through online shopping.

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Chart 8: Product Promotions & Discounts Deals

In India culture, there are bounties of the factors which are affecting online shopping consumers buying behavior. For instance psychological, social, emotional and privacy factors have major affects on consumer's buying behavior.

Chart 9 results shows that 40% of the respondent had agreed on that Psychological factor is the main factor not to do online shopping and affecting consumer buying behavior . About 25% of the respondents pointed out the privacy factor, 20% pointed out social factor and 15% pointed out emotional factor affecting Indian consumers buying behavior.

Chart 9: Factors Affecting Buying Behavior
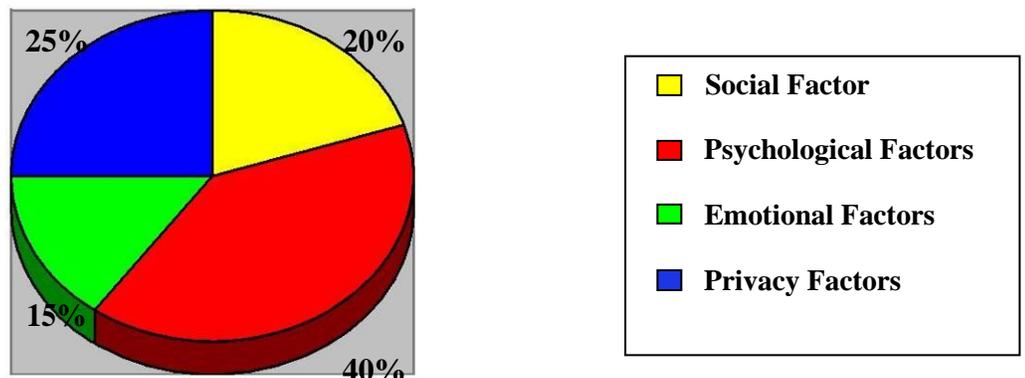
It has been mentioned that adverse to democratic belief, the consumers will not have to pay for privacy, and consists of the elimination of the revelation of the identity of the Internet Services.

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Conclusion

The study was accomplished to discover the affects of online shopping towards the attitude of consumer buying behavior in India. Online shopping is getting more and trendier in India as well as in rest of the world but the velocity of online shopping in India is slower as compared to the entire world. According to our survey, online shopping is getting popularity in the young generation such as students and professionals. Students usually prefer to buy goods from its original source and they mostly prefer online shopping

When a consumers to make purchases online to buy something, he or she is affected by assorted factors. The main influencing factors have been identified as, price, confidence, security, convenience, time, after sale service and discounted deals. The price factor exists because the prices are often lower through online shopping as compared with physical purchases in the market. Buy online can be of great benefit to the consumer in terms of convenience, saving time and money.

One of the prime obstacles in the way back-up of online shopping is that people usually get petrified when the other computer demands the complete details of the customers. Due to which a customer gets anxious that his or her personal details may get disclosed and their precious money and account details get damaged. Tranquillity is obviously necessary given that the consumer must share personal information (full name, delivery address and date of birth) and financial information (credit card detail) when shopping online. That makes trust and confidence an important factor.

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