



Research Article

A STUDY OF FACTORS AFFECTING ON ONLINE SHOPPING BEHAVIOUR OF CONSUMERS

Sunita Srivastava and Arvind Deo

Department of Commerce, University of Lucknow

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ABSTRACT

On-line shopping is a recent phenomenon in the field of E-Business and is definitely going to be the future of shopping in the world. Online shopping is becoming a hot topic in every business sector, and gradually plays a truly important role in any company's multi-channel marketing strategy. However, how to apply Internet marketing especially how to utilize it to attract more visitors to a certain website is still a big question for a number of advertisers. This research paper has used Qualitative and Quantitative research methods to study the impact of Demographic factors of consumers on on-line shopping parameters like satisfaction with on-line shopping, numbers of items purchased, frequency of on-line shopping, future purchase intention, and overall spend on on-line shopping. The data was collected with the help of Questionnaires. The motive of this research is to provide valuable shopping information regarding consumer buying decisions based on the consumer styles. Therefore, this research also studies the gender differences among online buyers. Exploratory factor analysis (EFA) was used to understand the decision-making styles. The result shows that there are differences in purchasing decisions between online shoppers.

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INTRODUCTION

Marketing on the internet is on the cusp of a new era right now. With major algorithm updates recently from Google it is only a matter of time before new terms and phrases are being created. The internet plays important role in our daily life in that people can send email around the clock, can chat through the internet to one who is actually on the other side of the Earth, can search information, and even can buy things online. Globally, buyers are gaining enormous benefits from purchasing goods and services from cyberspace. The internet permits the buyer to shop 24/7 and 365 days availability of goods and services provides free or minimum cost. Surplus seeking consumers and retailers are always tried to find out those markets that are more economically efficient hence, online purchasing.

Currently the retail industry in India is booming. Asian counterparts have widely accepted the online shopping in comparison to other parts. India is still not fully prepared to grow as a crucial part in the retail market but trying hard in becoming an ace in retail industry. But because of India's high cross culture factor, it helps different companies providing several products targeting different consumer segments. The skill of online shopping helps in detecting the correct online shopping mix of strategies implores the desired market which turns into sales.

**Corresponding author: Sunita Srivastava*
Department of Commerce, University of Lucknow

The science of online shopping is the research and analysis that goes into both choosing the online shopping strategies to use and measuring the success of those online shopping strategies.

According to the Global Retail Development Index 2016, India ranks second among the top 30 emerging markets for retail. Many factors are responsible in booming the sector like enhanced consumerism with the capacity to expend luxury items or increment in purchasing power of Indians and even being globalised also effect as it allows the Indians to explore the world and in touch with various cultures, living style which automatically turns into adopting more new brands. All over the world, Indian market is in demand because of its culture & custom, and habit of sharing and caring in festivals and marriages in which there is no limit in spending. Big cities like Pune, Hyderabad, Chandigarh, Cochin, Ahmadabad, Coimbatore, Kolkata, Nagpuretc. has prime market for all products and services which extend a good manifesto for a brand to encroach the Indian market.

History of online shopping

In 1990, Tim Berners-Lee created the first World Wide Web server and browser in UK and transformed an academic telecommunication network into a worldwide everyday communication system called internet/www. It opened for commercial use in 1991. 1994 was marked by commencement online banking and the opening of an online pizza shop by Pizza Hut. In the year 1994, Netscape launched SSL encryption of data transferred online, which has become crucial for certain online shopping. Internet became popular

worldwide around 1994; the German company Intershop introduced its first online shopping system. NFS had banned the commercial enterprise on Internet until 1995. 1995 was year when Amazon introduced its online shopping site and after that in 1996, eBay came into site.

Originally, electronic commerce consisted of facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both launched in the late 1970s, permitting businesses to send commercial documents like purchase orders or invoices electronically. The extension and embrace of credit cards, automated teller machines (ATM) and telephone banking in the 1980s were also forms of electronic commerce. Another form of e-commerce was the airline reservation system typified by Sabre in the USA and Travicom in the UK. From the 1990s onwards, electronic commerce would also include enterprise resource planning systems (ERP), data mining and data warehousing.

In spite of the fact that with the taking of Mosaic web browser, it took about 5 years to launch security protocols and DSL permitting continual connection to the Internet. By the end of 2000, many European and American business companies offered their services through the World Wide Web. From then people started to affiliate a word 'e-commerce' with the Capacity of purchasing several goods through the Internet using secure protocols and electronic payment services.

Current Scenario of Online shopping in India

In the beginning online shopping was easy mean for shopping with fewer options. The users can just place an order and pay cash on delivery. But, in few years this field has been modernise to a high level and hence captivated many customers. Nowadays, the online shopping has become very famous in India due to its large availability of websites, attractive offers, freedom to choose whatever with no limits, multiple options like color, size, price, etc., easy and secure payment methods like paypal or cash-on-delivery, etc.

India is growing at a faster pace with increment in the e-commerce industry in the last few years but still is far behind the US and UK.

Many exciting offers like discount, coupons, offers, exchange offers, payment on delivery, return guarantee etc. giving on upper hand to online marketing.

The Key drivers of in Indian Online shopping have been:

- Growing Living standards
- Increased usage of online categorized sites
- Availability of much wider product range
- Busy lifestyles and lack of time for offline shopping
- Increasing broadband Internet and 3G/4G penetration.
- Evolution of the online marketplace model with websites like eBay, Flipkart, Snapdeal, etc.

LITERATURE REVIEW

Product characteristic is also another factor that will influence the consumer's intention to purchase in the internet. Product characteristic can be tangible or intangible; standardized or customized. In an online context, lower tangibility of a product is caused by the lack of physical contact and assistance in the shopping process; consumer's intention to shop on the internet will be low when there is a need to seek advice from a

salesperson regarding the considered product (Monzuwe, *et. al.*, 2004). Products such as car, computers, perfume, perfume or lotion has the lower potential to be purchased by the consumer because it requires more personal knowledge and experience (Elliot, *et. al.*, 2000).

To highlight the term of "atmospheric", consumer's purchasing probability is enhanced through purposefully design the buying environment to produce specific affective responses in shoppers (Kotler, 1973-1974). When purchasing on the internet, perceived trustworthy will be higher when the web site has greater interactivity (Merrilees and Fry, 2003). A citation has been done on Hoffman and Novak (1996) by Ballantine, (2006, p.463), there are two main types of interactivity are considered to be applicable to the web. The first, person-interactivity, is the ability for a person using the web to communicate with other individual. The second, machine-interactivity, refers to the ability for an individual to access hypermedia content.

According to Grewal *et al* (2002), online shopping is more efficient in meeting the consumers' needs and wants. It allows the consumers to easily attain knowledge about the brand's product quality, availability, product specifications and prices, and compare that with those of another brand. This means they can now make more intelligent purchasing decisions in a way which is not possible through traditional shopping (Brown *et al.*, 2003). Moreover, they can purchase anonymously, which is convenient when it comes to personal products that they may feel uncomfortable buying in stores (Monzuwé *et al.*, 2004). Brown and Reid (1997) observed that routine tasks like shopping for groceries have become easier for customers who do not like crowds and driving the trolley around the store (Brown *et al.*, 2003). It seems that people nowadays, especially young adults, are becoming more conscious about personal image and fashion. For these types of consumers, shopping is an entertaining, pleasure-filled activity that is like an escape. It is important to note that such shoppers are looking for good service standards too.

Every aspect of internet marketing is digital, meaning that it is electronic information that is transmitted on a computer or similar device, though naturally it can tie in with traditional offline advertising and sales too. Although the relative importance of the internet marketing for an organization still largely depends on the nature of its products and services and the buying behaviour of its target audience, there has been a global dramatic change in media consumption over the last 10 years towards digital media which means that the internet is becoming important for all categories.

Hence, the internet as a communication medium has broadened the scope of marketing communications considering the number of people who can be easily reached including the locations where they are reached, for example, from desktops to mobile smart phones. It has also increased the richness of marketing communications by combining text, video, and audio content into rich messages. Thus, the web is arguably richer as a medium than some traditional mediums such as the television because of the complexity of messages available, the enormous content accessible on a wide range of subjects and the ability of users to interactively control the experience (Laudon and Traver 2013).

The current literature on consumer online purchase decisions has mainly concentrated on identifying the factors that affect the willingness of consumers to engage in internet shopping. In the domain of consumer behaviour research, there are general models of buying behaviour that depict the process which consumers use in making a purchase decision. These models are very important to marketers as they have the ability to explain and predict consumers' purchase behaviour. The classic consumer purchase decision-making theory can be characterized as a continuum extending from routine problem-solving behaviours, through to limited problemsolving behaviours and then towards extensive problem-solving behaviours (Schiffman *et al.*, 2001).

Research Objective

To identify the influencing factors of online shopping buying behaviour.

RESEARCH METHODOLOGY

Methods of data collection

A combination of Interview method and Questionnaire method is used to collect data from the respondents.

Sample Design

Under sample design the method of Sampling is been used to collect data from the respondents.

Sample Size

Sizes of 153 respondents are taken for the collection of the data.

Data Analysis and Interpretation

In data analysis and interpretation method of "Factor Analysis" is used to analyse the data.

Table 1 Demographic Profile of Respondent

Demographic Variables		Percent
Age Group	15-30	90.80%
	30-45	04.60%
	45-60	03.30%
	60 and above	01.30%
Occupation	Student	89.50%
	Housewife	02.60%
	Government Employee	05.90%
	Others	02.00%
Gender	Male	45.10%
	Female	54.90%
Monthly Income	Below 10000	71.10%
	10000-25000	07.90%
	25000-35000	07.20%
	35000-45000	06.60%
	45000 and Above	07.20%

This graph represents the no. of persons using online marketing. Like for the age group of 15-30 the percent of using online marketing is 90.8 whereas in the age group of 30-45 the percent users are 4.6 only. And in the age group of 45-60 the percent users are 3.3 which reduce to 1.3 percent users in the age group of 60 and above.

This graph shows that students prefer online marketing much more in comparison to housewife, govt. Employee and others. As it says that 89.50% students prefers online marketing, whereas only 2.60% housewives, 5.90% govt. Employees and 2% others prefers to market online which is something a huge gap.

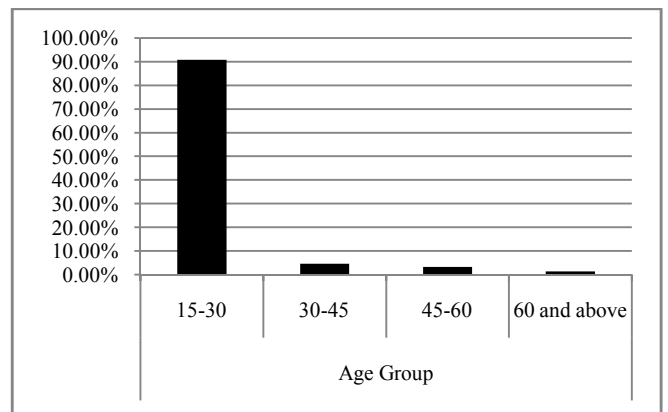


Fig 1 Age Group

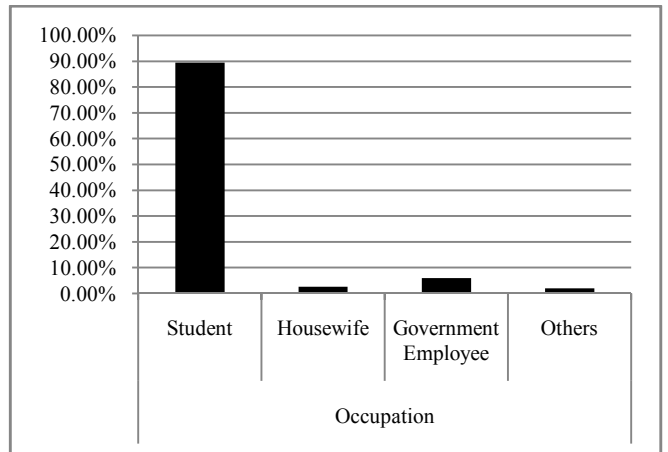


Fig 2 Occupation

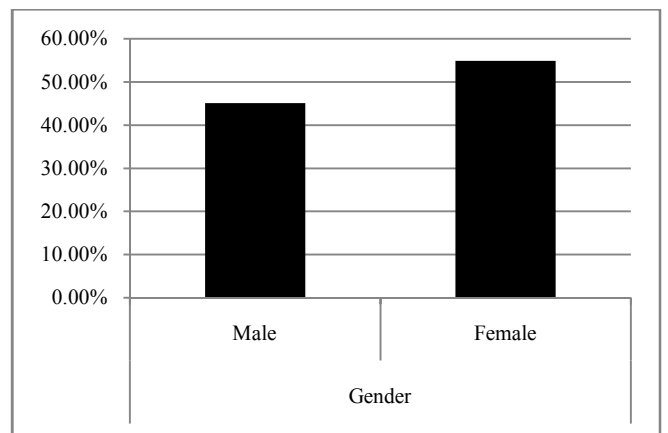


Fig 3 Gender

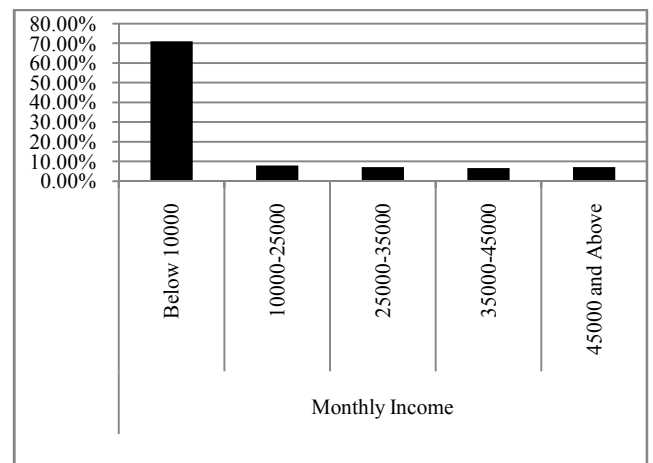


Fig 4 Monthly Income

This graph clearly represents that female users are more in comparison to male users of online marketing which is 54.90% for female and 45.10% for male.

This graph represents the users of online marketing having different monthly income. Persons having monthly income below 10000Rs. using online marketing in 71.10% whereas having monthly income of 10000-25000 uses only 7.90%. Persons having monthly income of 25000-35000 are only 7.20% and of 35000-45000 are only 6.60% whereas having income of 45000 and above users are only 7.20%.

Data Analysis & Interpretation

Principal component analysis (Varimax rotation Matrix)

The principal components factor method was used to generate the initial solution. 40 items included for the online purchasing for customer satisfaction study. The above mentioned statements having five point Likert scales were subjected to factor analysis. Before the application of factor analysis the following five techniques were also used for the analysis of data. (1) The correlation matrix revealed that there is a strong positive correlation between the customer satisfactions' attributes. These items were considered appropriate for factor analysis procedure. (2) After correlation matrix, anti-correlation matrix was also constructed. This matrix shows that partial correlations among the statements are low for example anti- image correlation of statement 1 with respect to statements 1 to 40.

Similarly most of the off diagonal elements are small indicating that real factors exist in the data which is necessary for factor analysis. (3) Kaiser Meyer Olkin measure of sampling adequacy focuses on the diagonal elements of partial correlation matrix. It is clear that all of the diagonal elements of partial correlation matrix were sufficiently high for factor analysis. (4) Test of sampling adequacy was then performed. Sum of the values of diagonal elements of partial correlation matrix from statement no. 1 to 40 was 0.679. This shows that statements are good enough for sampling. (5) Bartlett's Test of Sphericity was also conducted to check the overall significance of the correlation matrices. The value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.679. The test value of Bartlett's Test of Sphericity was significant and it is indicating that correlation matrix is not an identity matrix.

Factor 1: Novel- Fashion

This type of online Shopper preferred to buy the fashionable and novel goods. They are the initial adopter. They keep their wardrobe up-to-date with the changing fashions. Fashionable, attractive styling is very important to them.

Factor 2: Perfectionism

This type of online shopper values the quality of products. When it comes to purchasing products, they try to get the very best or perfect choice. In general, they usually try to buy the best overall quality.

Indian Online Shopper's Style Characteristics: Five-Factor Model

Factor	Factor Items	Loadings	Cronbach α
Factor 1 (Novel-Fashion)	I keep my wardrobe up-to-date with the changing fashions.	.814	.799
	Fashionable, attractive styling is very important to me.	.781	
	I usually have one or more outfits of the very newest style.	.742	
	To get variety, I shop different stores and choose different brands.	.678	
Factor 2 (Perfectionism)	I make special effort to choose the best quality products.	.780	.777
	In general, I usually try to buy the best overall quality.	.754	
	When it comes to purchasing products, I try to get the very best or perfect choice.	.729	
Factor 3 (Price Consciousness)	Getting very good quality is very important to me.	.693	.780
	I look carefully to find the best value for the money.	.859	
	I carefully watch how much I spend.	.765	
Factor 4 (Confused)	I take the time to shop carefully for best buys.	.735	.796
	There are so many brands to choose from that I feel confused.	.845	
	Sometimes it's hard to choose which online stores to shop.	.828	
Factor 5 (Brand)	All the information I get on different products confuses me.	.749	.664
	Nice online stores offer me the best products.	.766	
	The higher the price of a product, the better its quality.	.684	
	The most advertised brands are usually very good choices.	.603	

Factor 3: Price Consciousness

This type of internet shopper very considers the value of money. The lower price products are usually their choice. They usually take the time to shop deliberately for best buys.

Factor 4: Confused by Overchoice

This type of online shoppers is worry about much information about products. It means that too much information they get on different products confuses them to make right purchase decisions. The more they learn about products, the harder it seems to choose to best.

Factor 5: Brand Consciousness

This type of internet shoppers values the brand of any products. The well-known national and multi-national brands are the best for them to choose. They think the more expensive brands are usually their choice they will buy over and over and stick with it.

DISCUSSION

Online shoppers can be categorised into five main decision-making styles: novel-fashion consciousness, perfectionismconsciousness, price consciousness, confused by overchoice and brand consciousness. When people adopt online shopping, they may have already thought it through carefully and get used to shopping through internet. Shopping online is not thought of as a recreational activity. Besides, consumers may be willing to pay more for online shopping because of the convenience and timelessness of the internet. Convenience thus offsets the price consciousness. When we compare the findings of this research with two non-online investigations on Indian consumers, we found significant differences. Consequently, consumers in cyberspace and non-online environment act differently to some degrees. Further researchers can use the five online shopper's decision-making styles as segmentation variables to capture profiles of online shoppers.

Additionally, the gender differences among online shoppers indeed exist. The result shows that the differences rest with brand and novel-fashion consciousness. A female internet consumer's decision-making is dominated by novel-fashion and a male online shopper's decision-making is dominated by brand. Managers of online shopping websites can focus on novel-fashion and brand issues for females and males, which may help managers to design a more suitable homepage and marketing mix.

Furthermore, cross-cultural issues of the internet need to be mentioned. Because of the boundlessness of cyberspace, online consumer can order flight or train tickets, and print those tickets without mailing across two or more countries. If marketers want to be winners in the online marketing, they must create the marketing, mix that suits online consumer's values.

CONCLUSION & SUGGESTIONS

The Factor Analysis results for consumers response across different factors shows that gender does impact Possession of internet and Frequency of online purchase of consumer's occupation is a demographic variable which does not impact any of the variables under study. The overall results prove that the respondents have perceived online shopping in a positive manner. This clearly justifies the project growth of online shopping. The frequency of online shopping is relatively less in the country. Online shopping organizations can apply the relevant variables and factors, identified from the research, to create their strategies and tactics. The organizations can prioritize the consumer inherent and unequivocal requirements in online shopping environment. The results can also be used by various organizations to identify their target customer segments.

The results of the study can be utilized by practitioners inrelooking their strategies for online shopping. Online websites should focus more to the female segmentsas results prove that females shop more in online shopping ascompared to men. So companies should devise the policies andstrategies to magnetize more number of people in this segment infuture also. Online retailers should also look into the prospect ofcall centers which could guarantee that the customer get a chance to officially interact with the other party before the actual purchase. It includes the random sample of individuals from Lucknow. This study finds agreement amongst variety by including people of different age, income, occupation gender segments.

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