

A Study on Factors Affecting Consumer Behaviour towards Online Shopping

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Abstract

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. The number of online shoppers is greater than the growth in Internet users, indicating that more Internet users are becoming comfortable shopping online. The capability of purchasing without leaving your place is of great interest to many consumers. Not only does online shopping offer really good deals, but it also brings optimum convenience to the consumers. Moreover, Internet tools for price searching and comparison provide an additional advantage in consumers final decisions, as they can purchase their desired products at the lowest available price. Newline And retailers are devising strategies to meet the demand of online shoppers, they are busy studying consumer perception in the field of online shopping to see the consumer Buying Behaviour towards online shopping. Therefore, we have also decided to study consumers perception of online shopping and specifically study the factors influencing consumers purchase intention in online shopping.

Online shopping is the process of buying goods and services from merchants who sell on the internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer. The main purpose of this study is to determine the factors influencing consumers' attitude towards e-commerce purchases through online shopping. The study also investigates how socio-demographic (age, income and occupation), pattern of online buying (types of goods, e-commerce experience and hours use on internet) and purchase perception

(product perception, customers' service and consumers' risk) affect consumers' attitude towards online shopping, studying the factors such as perceived risks, hedonic motivation, design of the website, and various psychological factors, namely trust and security, affect online shopping consumers buying behaviour.

Keywords: Customer Perception, Psychological Factors, Socio-Demographic, Websites Design, E-Commerce

Introduction

Undoubtedly with the population of 1.3 billion people, online shopping shows unlimited potential in India. Online shopping is a recent phenomenon in E-commerce and it is definitely going to be the future of shopping in India. The people of India, especially the young population, which previously spent a lot of time for shopping, have today just by sitting at home can browse through many sites and choose the best deal and place an order within few minutes. Due to increasing internet and mobile penetration, growing acceptability of online payments has provided a unique opportunity to the companies to connect with their customer. In recent days online shopping is also gradually reaching out to the rural and older population. The Indian retail industry is one of the most dynamic and fast paced industry. It accounts for over 10 percent of the country's gross domestic product (GDP)

Concept of Online Shopping

E-business describes all types of business process that are implemented by electronic means, and E-commerce is the sub-section of E-business in which goods and services are traded. E-commerce attained its current importance for trade as a result of the emergences of internet and especially, of the World Wide Web (W.W.W). Based on this, a new business model in E-commerce has developed rapidly; the new business model for business to consumer (B2C) has been developed, which is known as online shop. The two terms online shop and electronic shop are used synonymously.

Review of Literature

Thompson, S H Teo, 2001 has examined demographic variables such as gender, age, educational level and motivation variables such as perceived ease of use, perceived enjoyment, perceived usefulness associated with internet usage activities defined in terms of messaging, browsing, downloading and purchasing. The study shows that male respondents are more likely to engage in downloading and purchasing activities while females are more likely to engage in messaging activities.

Leo Sin & Alan, T 2002 in their study "Profiling Internet Shoppers" have tested a model of internet shopping behaviour and the result showed that the consumer internet shopping behaviour is affected by the consumer's demographic, psychographic, attitudinal, and experiential factors. The findings indicate a relationship between consumers who shop online, and some of the variables included in the study. The study has found that internet buyers tend to be male, well educated, with higher income, and are mainly in the age groups between 21 and 30 years.

Despina A Karayanni, 2003 examined an empirical evaluation between online shoppers and offline-shoppers' compatibility, relative advantage and demographics with their Internet browsing activities; use of direct shopping; time efficiency, and availability of 24 hours of online shopping. The study found that web shoppers seem to be less concerned with enjoyment derived from traditional shopping.

Sunil, 2015 has tried to analyse the factors impacting customers to go for offline purchasing and online purchasing. The study has identified the following variables that make the consumers go in for online buying like different payment forms, getting product information, less price, discounts, coupons, and special sales, easy browsing and speed of selection of products.

Pritam P. Kothari & Shiv Ganga S. Maindargi, 2016 This paper reveals that due to revolution in telecommunication sector, internet users have increased in recent times. Though usage of online shopping by customers is increased, still customers are giving first preference to manual shopping for regular purchase due to fear of receiving wrong or bad product and are worried about giving credit card no. Respondents prefer online shopping due to various motives like less price, discount and time saving factor. Customers can also purchase things very easily as websites are user-friendly. Majority of respondents are satisfied with online shopping.

Thompson, S.H & Teo, 2001, 'Demographic and motivation variables associated with internet usage activities; Internet Research; Electronic networking applications and policy', ICTACT Journal on management studies, Vol. 11, No. 2, pp. 101-118.

Leo Sin & Alan Tse, 2002, 'Profiling internet shoppers', Journal of International consumer marketing, Vol.15, Issue No.1, July, pp.7-29.

Despina, A & Karayanni, 2003, 'Web shoppers and non-shoppers; Compatibility, relative advantage and demographics' European Journal Review, Vol. 15, No. 3, pp. 141-152.

Sunil, 2015, 'Trends and practices of consumers buying online and offline: An analysis of factors in influencing consumers buying', International journal of commerce & management, Vol. 25, No.4, pp.442-455.

Pritam P. Kothari & Shiv ganga S. Maindargi, 2016, 'A Study on Customers Attitude towards Online Shopping in India and its Impact: With Special Reference to Solapur City', International Journal of Advance research, ISSN: 2454-132X, Impact factor: 4.295, Vol. 2 , No. 6 , pp. 1-10.

Need for the Study

The rapid increase in the number of internet users in India, has transformed the way goods are bought and sold, resulting in an exponential growth of online shoppers. The rapid increase of online shopping has stimulated widespread researches aimed at attracting and retaining consumers. The potential benefits and security issues of online shopping for consumers have called for many researches, in the perspective of online consumers. It is also very important to explain and predict consumer's acceptance of online shopping. As the competition is intensified, it becomes more important for online retailers to understand the consumer's intention to make online shopping and to look into the problems faced by them while making online purchase. In this context, the need to make a study on the consumer behaviour towards online shopping. We attempt to predict the consumer attitude, behaviour, by explaining the consumer intention to make online purchase, his/her Pre, On and Post purchase behaviour and how the benefits of online shopping impact his satisfaction level. There is also a need on the part of understanding the benefits of online shopping and to know about the online shopping providers. In online shopping Industry, which is ruled by technology, the need, requirements, the likes, the dislikes, their attitude, behaviour and life style of consumers remain dynamic.

Objectives of the Study

1. To study the background frame works with focus on consumer attitude and online shopping.

2. To examine the impact of demographic profile of online shoppers on their intention to make online shopping.
3. To study if customer is having a significant positive relationship between Perceived Website Trust and Consumer Trust in Online Shopping.
4. To understand what are the motivation factors that influence customer to online shopping over traditional retail

Scope of the Study

The present study on consumer attitude is confined to the online shoppers. This study focuses on the attitudinal nuances of online consumers, and impact of consumer behaviour based on their Pre, On and Post purchase behaviour. This study also identifies the hurdles faced by the online purchasers while they make purchase through internet. This study may help the e- retailers to target the unique, highly educated and rich potential consumers. Moreover, this research provides a theoretical contribution in understanding the present status of online shopping and explores the factors affecting intention of online shoppers to buy through internet. This research analyses the attitude of online shoppers based on gender and it again throws light on the attitude of younger generation online consumers

Hypothesis

Statement(s) of hypothesis: A Hypothesis is a unproven statement or proposition about a factor or phenomenon that is of interest to the researcher.

The following alternative hypotheses will be tested in relation to the research variables:

Alternative Hypothesis:

1. The demographic profile has direct relationship in online shopping.
2. The price factor has direct relationship with online shopping.
3. The customer review factor has direct relationship with online shopping.

Null hypothesis

The demographic profile of online shoppers does not have a significant impact on their intention to make online shopping.

Research Methodology

The research methodology describes the method to be followed in research activities starting from investigation to presentation. Research methodology includes research design, sampling procedures and tools of analysis. The study is based on both primary data in particular and secondary data in general. Primary data are collected through questionnaire from the respondents' who buys goods and services through online shopping.

Construction of Questionnaire

The questionnaire schedule in this study is constructed carefully by the researcher with the help of the supervisor. In order to test the validity of the format, and for evaluation it has been presented to supervisor before the actual survey begins.

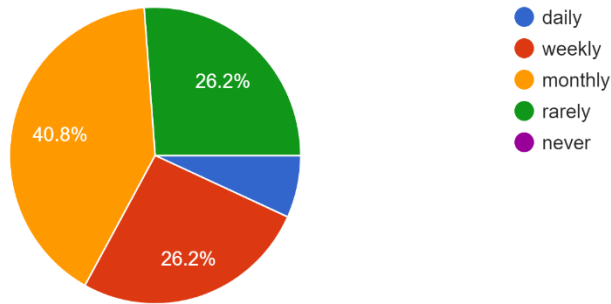
Analysis And Interpretation

Chart 1

Indicating How frequently respondents engage in online shopping

How frequently do you engage in online shopping?

103 responses



PARTICULARS	NO OF RESPONSES	PERCENTAGE
Daily	7	6.8
Weekly	27	26.2
Monthly	42	40.8
Rarely	27	26.2
Never	0	0

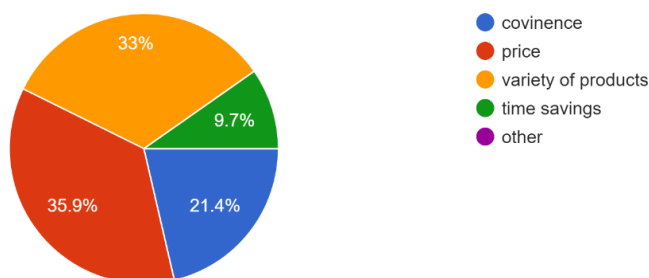
INTERPRETATION: As per the analysis based on the information we can see that 40.8% respondents engage on online shopping on a monthly basis, while 26.2% respondents do so weekly , and rest 26.2% respondents engage rarely in online shopping based on their requirements .This suggest a significant portion of the surveyed population shops online regularly with a smaller yet notable group participating less frequently but still on a monthly basis.

Chart 2

Indicating what is motivating a respondent to choose online shopping over traditional retail

What motivates you to choose online shopping over traditional retail?

103 responses



Particular	No of responses	Percentage
Convince	22	21.7
Price	37	35.9
Variety of product	34	33
Time savings	10	9.7
Other	0	0

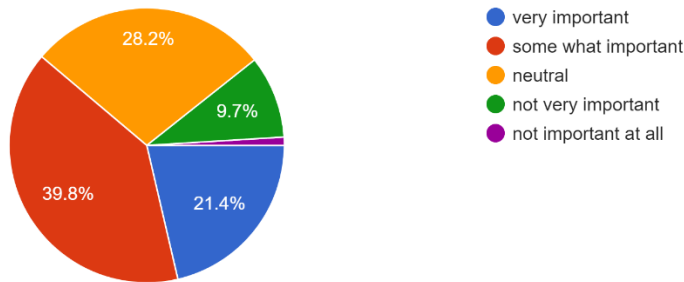
Interpretation:

As per the analysis, it appears that respondents are motivated to choose online shopping over traditional retail for various reasons. The highest percentage (35.9%) indicates a significant emphasis on price as a driving factor. Additionally, 33% prioritize the variety of products available online, suggesting a desire for diverse options. Time-saving is a notable but less dominant factor at 9.7%, while convenience follows closely at 21.4%. These percentages suggest that consumers value the efficiency and ease associated with online shopping, albeit to a slightly lesser extent than price and product variety.

Chart 3

Indicating How important is customer reviews for respondents while engaging in online shopping

How important are customer reviews in influencing your online purchase decisions
103 responses



particular	No of responses	Percentage
Very important	22	21.4
Some what important	41	39.8
Neutral	29	28.2
Not very important	10	9.7
Not important at all	1	1

Interpretation:

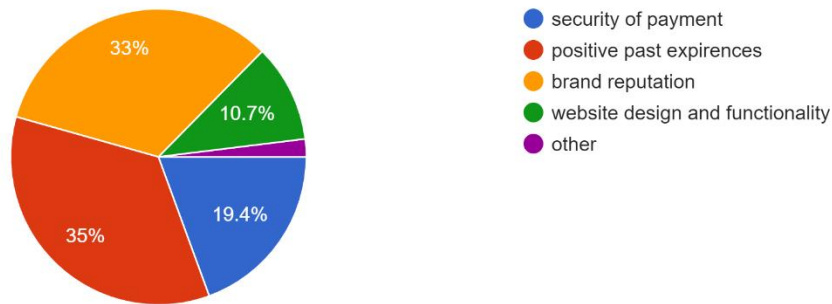
As per the analysis, customer reviews play a significant role in influencing online purchase decisions. The majority of respondents (39.8%) find them somewhat important, while a substantial portion (21.4%) considers them very important. This suggests that a combined 61.2% of consumers attach a considerable level of importance to reviews. Even those who view reviews as neutral (28.2%) still acknowledge their relevance, indicating a widespread recognition of their impact on purchasing choices. Only a minority (9.7%) perceives reviews as not very important, emphasizing the overall significance of customer feedback in shaping online buying decisions.

Chart 4:

Indicating what are the factors that are contributing respondents for building trust in online shopping platform

What factors contribute most to building your trust in an online shopping platform?

103 responses



Particular	No of responses	Percentage
Security of payment	20	19.4
Positive past experiences	36	35
Brand reputation	34	33
Website design and functionally	11	10.7
Other	2	2

Interpretation:

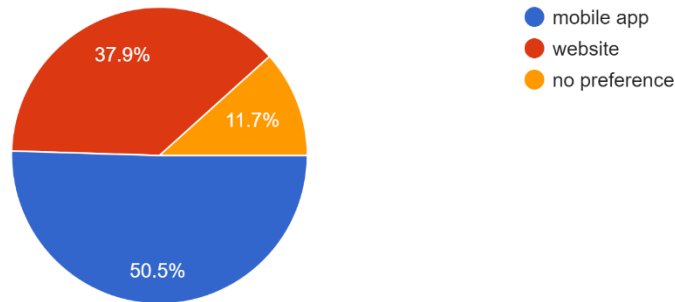
The analysis of the data reveals several key factors contributing to respondent Trust in online shopping platforms. Brand reputation holds substantial importance, with 33% of respondents relying on it as a trust-building factor. Positive past experiences play an even more significant role, with 35% emphasizing the impact of their previous interactions with the platform. Security of payment is identified as a crucial element by 19.4% of respondents, underlining the significance of ensuring safe and reliable transaction processes. Additionally, 10.7% attribute their trust to the website's design and functionality, suggesting that a user-friendly and well-designed interface contributes to the overall perception of trustworthiness

in an online shopping platform. These findings collectively underscore the multifaceted nature of trust-building in the online shopping experience.

Chart 5:

Indicating whether respondents prefer mobile or website shopping

Do you prefer shopping from a mobile app or a website?
103 responses



Particulars	No of responses	Percentage
Mobile app	52	50.5
Website	39	37.9
No preference	12	11.7

Interpretation:

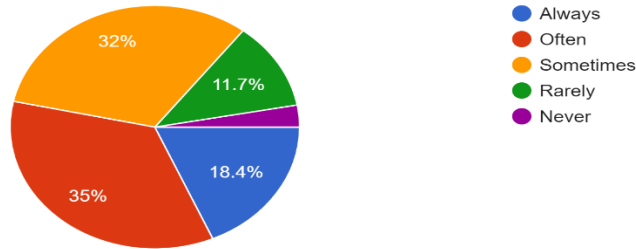
The analysis of the data indicates a preference among respondents for mobile app shopping, with 50.5% expressing a preference for this platform. Website shopping also holds significance, garnering a substantial 37.9% of respondents. Notably, a minority of 11.7% have no clear preference between the two platforms. This suggests a trend towards the convenience and accessibility offered by mobile apps, as more than half of the respondents favor this mode. However, the significant percentage for website shopping highlights that a substantial portion still values the traditional online shopping experience through websites. Overall, the data reflects a diverse range of preferences among users in terms of their preferred platforms for online shopping.

Chart 6:

Indicating how often does the respondents abandon their shopping cart before completing a purchase

How often do you abandon your online shopping cart before completing a purchase?

103 responses



Particular	No of responses	Percentage
Always	19	18.4
Often	36	35
Sometimes	33	32
Rarely	12	11.7
Never	3	2.9

Interpretation:

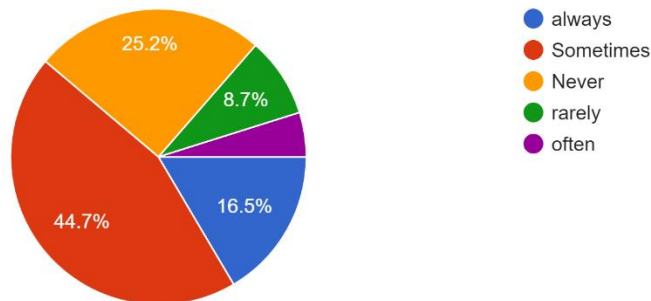
The analysis of the data indicates a prevalent tendency among respondents to abandon their online shopping carts before completing a purchase. A substantial 35% admit to doing so often, suggesting a significant challenge in converting potential sales into actual transactions. Additionally, 32% abandon their carts sometimes, further highlighting the frequency of this behaviour. On the other hand, a minority of 11.7% rarely abandons carts, while 18.4% confess to always leaving their carts without completing a purchase. These findings underscore the importance of addressing factors such as user experience, checkout process optimization, and incentives to mitigate cart abandonment and enhance overall conversion rates.

Chart 7:

Indicating if respondents are more likely to purchase during online sales or promotions

Are you more likely to make a purchase during online sales or promotions?

103 responses



Particulars	No of responses	Percentage
Always	19	16.5
Sometimes	46	44.7
Never	26	25.2
Rarely	9	8.7
often	5	4.9

Interpretation:

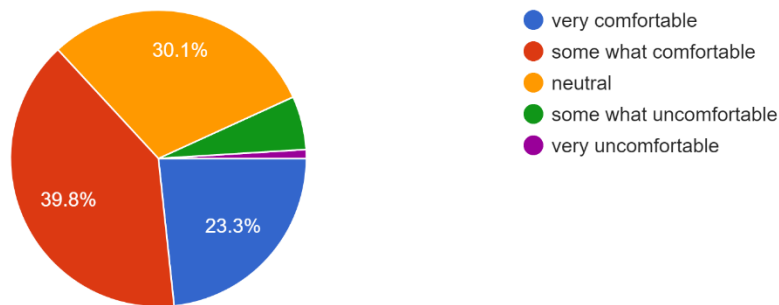
The analysis of the data reveals varying attitudes towards making purchases during online sales or promotions. A significant portion, 44.7%, indicates that they are inclined to make purchases sometimes during such events, highlighting the intermittent nature of their engagement. A notable 25.2% claim never to make purchases during online sales or promotions, indicating a substantial segment that remains unaffected or uninterested in these incentives. On the positive side, 16.5% express a consistent inclination, stating that they always make purchases during such events. Conversely, a smaller percentage, 8.7%, rarely seizes these opportunities. These findings underline the diversity in consumer responses to online sales and promotions, with a majority falling into the occasional or consistent participation categories.

Chart 8:

Indicating how do respondents feel about providing their personal information during the online shopping process

How do you feel about providing personal information during the online shopping process?

103 responses



Particular	No of responses	Percentage
Very comfortable	24	23.3
Some what comfortable	41	39.8
Neutral	31	30.1
Some what uncomfortable	6	5.8
Very uncomfortable	1	1

Interpretation:

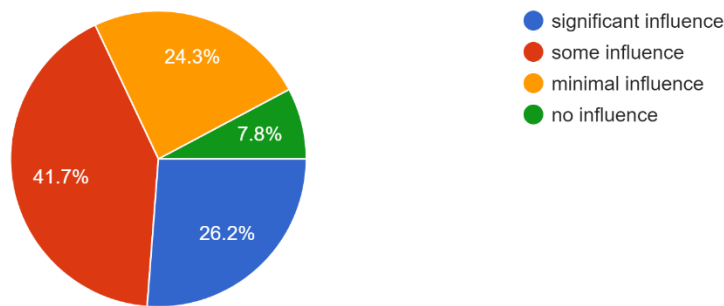
The analysis of the data suggests that a majority of respondents generally feel comfortable providing personal information during the online shopping process. Specifically, 39.8% express being somewhat comfortable, while an additional 23.3% convey being very comfortable. This combined total of 63.1% indicates a prevalent sense of ease among respondents when it comes to sharing their personal details. On the other hand, 30.1% express a neutral stance, suggesting a segment that may not strongly object but may also have reservations about sharing personal information. Overall, the data reflects a generally positive sentiment regarding the willingness of respondents to provide personal information during online shopping.

Chart 9:

Indicating what role are does social media influencers play in their online shopping decisions

What role do social media influencers play in your online shopping decisions?

103 responses



Particular	No of responses	Percentage
Significant influence	27	26.2
Some influence	43	41.7
Minimal influence	25	24.3
No influence	8	7.8

Interpretation:

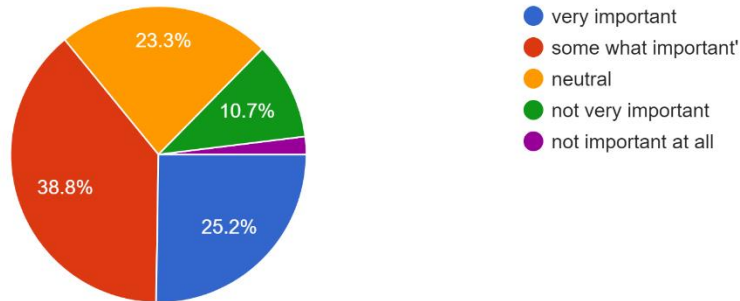
The analysis of the data suggests that social media influencers play a noticeable role in influencing online shopping decisions for a significant portion of respondents. Specifically, 41.7% indicate that influencers have some influence on their decisions, while an additional 26.2% attribute a significant influence to social media influencers. This combined total of 67.9% highlights the substantial impact that influencers have on shaping online shopping choices. On the other hand, 24.3% state that influencers have minimal influence, indicating a segment that may acknowledge the presence of influencers but remains relatively unaffected by their recommendations. A smaller percentage, 7.8%, claims no influence from social media influencers in their online shopping decisions.

Chart 10

Indicating how important is the option of free returns for respondents while making decision on online purchase

How important is the option for free returns in your decision to make an online purchase?

103 responses



particular	No of responses	Percentage
Very important	26	25.2
Some what important	40	38.8
Neutral	24	23.3
Not very important	11	10.7
Not important at all	2	1.9

Interpretation:

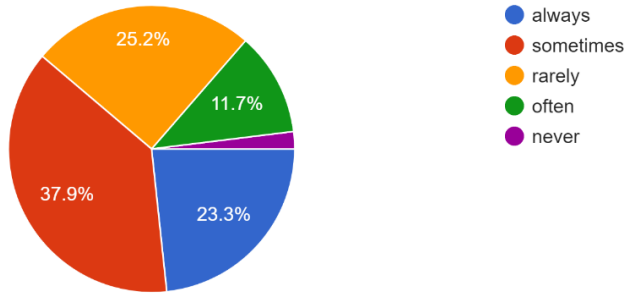
The analysis of the data indicates that the option of free returns holds substantial importance for respondents when making decisions on online purchases. A significant 25.2% express that it is very important, underscoring the impact of this feature on influencing their buying decisions. Additionally, 38.8% consider free returns somewhat important, further emphasizing its relevance for a majority of respondents. On the other hand, a notable 23.3% express a neutral stance, suggesting a segment that may not strongly prioritize free returns in their decision-making process. A smaller percentage, 10.7%, deems free returns as not very important, indicating a minority with less emphasis on this option.

Chart 11

Indicating how often respondents read and understand the terms and conditions before making an online purchase

How often do you read and understand the terms and conditions before making a purchase online?

103 responses



Particular	No of responses	Percentage
Always	24	23.3
Sometimes	39	37.9
Rarely	26	25.2
Often	12	11.7
Never	2	1.9

Interpretation:

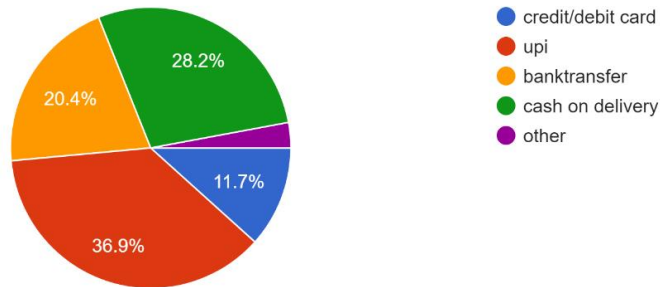
The analysis of the data suggests that a notable percentage of respondents may not consistently read and understand the terms and conditions before making online purchases. The largest group, 37.9%, indicates that they sometimes engage with the terms and conditions, reflecting an intermittent approach to reviewing these agreements. Additionally, 25.2% state that they rarely read and understand the terms and conditions, highlighting a significant proportion with infrequent attention to these details. Contrastingly, 23.3% claim to always read and understand the terms and conditions, indicating a conscientious approach to online shopping that involves a consistent review of the associated agreements. A smaller but still noteworthy 11.7% mention often reading and understanding the terms and conditions.

Chart 12

Indicating what payment methods are preferred by respondents while online shopping

What payment methods do you prefer when shopping online?

103 responses



Particular	No of responses	Percentage
Credit/ debit card	12	11.7
UPI	38	36.9
Bank transfer	21	20.4
Cash on delivery	29	28.2
Other	3	2.9

Interpretation:

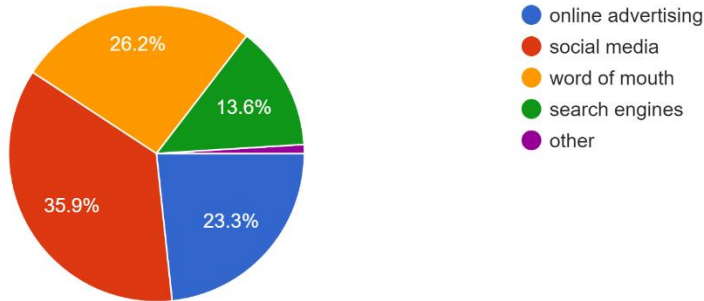
The analysis of the data reveals varied preferences among respondents for different payment methods while engaging in online shopping. UPI (Unified Payments Interface) emerges as the most preferred method, with 36.9% of respondents indicating a preference for this digital payment option. This suggests a widespread adoption and trust in UPI for online transactions. Cash on delivery (COD) is another significant preference, with 28.2% favouring this traditional payment method. Despite the growth of digital payments, a substantial portion still values the convenience and security offered by paying in cash upon delivery. Credit or debit cards are chosen by 11.7% of respondents, reflecting a comparatively lower preference for card-based transactions. Bank transfers are preferred by 20.4%, indicating a moderate acceptance of this method.

Chart 13

Indicating how do respondents discover online store or products

How do you discover new online stores or products?

103 responses



Particular	No of responses	Percentage
Online advertising	24	23.3
Social media	37	35.9
Word of mouth	27	26.2
Search engines	14	13.6
Other	1	1

Interpretation

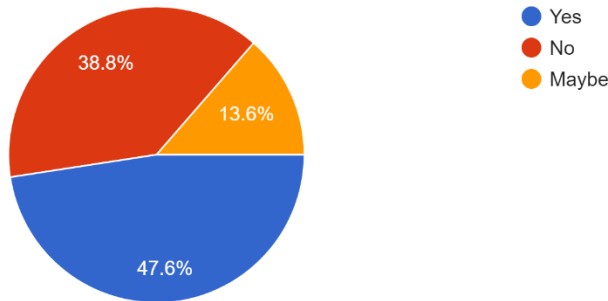
The analysis of the data suggests that respondents employ various channels to discover online stores or products. Social media emerges as the predominant discovery platform, with 35.9% of respondents indicating its influence. This underscores the significant role of social media platforms in introducing users to new online stores and products. Online advertising also plays a substantial role, with 23.3% relying on it for discovery. This highlights the impact of targeted advertising campaigns in capturing the attention of potential customers. Word of mouth is a notable contributor to discovery, as 26.2% of respondents identify it as a source for finding online stores or products. This emphasizes the influence of recommendations from friends, family, or colleagues in shaping online shopping choices. Search engines, while still relevant, are mentioned by 13.6% of respondents, indicating a somewhat lower reliance on search engine results for discovering online stores or products compared to other channels.

Chart 14

Indicating if the respondents feel does online shopping provides more personalized experience compared to traditional retail

Do you feel that online shopping offers a more personalized experience compared to traditional retail?

103 responses



Particular	No of responses	Percentage
Yes	49	47.6
No	40	38.8
May be	14	13.6

Interpretation:

The analysis of the data reveals mixed sentiments among respondents regarding whether online shopping provides a more personalized experience compared to traditional retail. A significant 47.6% express a belief that online shopping does offer a more personalized experience, emphasizing the impact of personalized recommendations, targeted marketing, and customization features in the digital shopping environment.

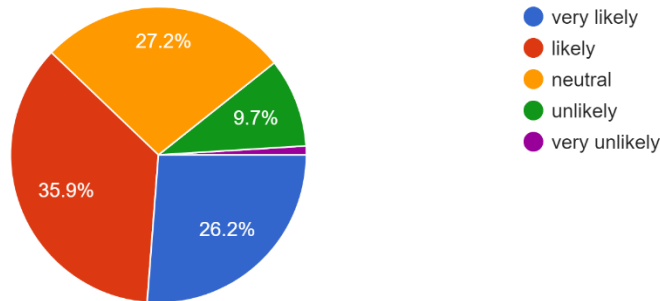
Conversely, 38.8% of respondents feel that online shopping does not provide a more personalized experience compared to traditional retail. This suggests a substantial segment that perceives limitations or challenges in achieving personalized interactions and services in the online shopping realm. A smaller but noteworthy 13.6% express uncertainty, stating "maybe" in terms of whether online shopping delivers a more personalized experience. This indicates a segment that is open to the idea but may have reservations or experiences that contribute to their uncertainty.

Chart 15

Indicating if how likely are respondents are to recommend their favourite online shopping platforms to friends or family

How likely are you to recommend your favorite online shopping platform to friends or family?

103 responses



Particular	No of responses	Percentage
Very likely	27	26.2
Likely	37	35.9
Neutral	28	27.2
Unlikely	10	9.78
Very unlikely	1	1

Interpretation:

The analysis of the data indicates a positive inclination among respondents when it comes to recommending their favourite online shopping platforms to friends or family. A significant 35.9% express that they are likely to recommend, and an additional 26.2% state that they are very likely to do so. This combined total of 62.1% reflects a majority of respondents who are inclined to share their positive experiences with their preferred online shopping platforms. While 27.5% express a neutral stance, suggesting a segment that may not strongly lean towards recommending or not recommending, only 9.7% state that they are unlikely to recommend. This indicates a relatively small proportion of respondents who may have reservations or concerns that discourage them from endorsing their favourite online shopping platforms.

Findings-

- It is found that the price plays an important role to choose online shopping over retail
- It is found that the online shopping provides more personalized experience compared to traditional retail
- It is found that the people discover online products or services with the use of social media
- It is found that people prefer upi to do their payments
- It is found that the social media influencers play major role in their online shopping decisions
- It is found that the positive past purchase help for building trust in online shopping platform

Suggestion-

- It is recommended to online customers to keep a data framework for creating SMS's and emails to the clients on the offers accessible in the stores.
- is vital for the B2C E-Commerce sites to keep a client touchy valuing system, to convey client the best incentive for his cash.
- The quantity of staff, their agreeable nature, and affable conduct to help the customers will lead the store to better development and productivity.
- online customers are encouraged to carry out a great scope of publicizing communication missions to get more clients.

Conclusion-

Web-based media assumes an essential part on purchaser buying choice in presently days, the online customers keep up sincere relationship and up to date data with respect to the item types and their costs through their web-based media channels to be looked after well. Whenever gave well, it brings rehashed shoppers, great informal exchange and greater productivity Subsequently this examination has made it conceivable to comprehend the shopper perspectives in more prominent profundity, explicitly concerning internet shopping. Further, the discoveries of this examination can be utilized to improve in general execution of the B2C E-Commerce sites.

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