

Factors Affecting On-line Shopping Behaviour of Consumers

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Abstract

With the rapid development of electronic commerce, network technology, and e-marketing, the number of Internet users was increasing and the time will come when they will soon overtake the United States as the world's second-largest national Internet users. On-line shopping is a recent phenomenon in the field of E-Business. Most of the companies are running their on-line portals to sell their products/services on-line. The growth of online shopping in Indian Market, which is a large consumer market, is still not in line with the global market. The potential growth of on-line shopping gave an idea of doing a study on on-line shopping in India. The present paper has made an attempt to study the impact of demographic factors of consumers on on-line shopping. The data was collected through discussions and interviews. The results of study reveal that on-line shopping in India is significantly affected by various demographic factors like age, gender, marital status, education level and income.

Keywords: Online shopping, consumer behavior, demographic factor, age, gender, occupation, income.

Introduction

Online shopping has become extremely popular over the last decade. Utilized mostly by the "Net- Generation", this service is extremely convenient. Online shopping refers to the shopping behavior of consumer in an online store or a website used for online purchasing purpose. Due to technological innovations, the traditional way of shopping has become insufficient for individuals. Individuals now prefer easy ways to reach brands and stores and it can be said that 'The Internet has fundamentally changed customer's notions of convenience, speed, price, product information and service. As a result, it has given marketers a whole new way to create value for customers and build relationships with them'. Since the beginning of the Internet, individuals have shown interest to the Internet. According to Internet World Stats' statistics (2012) today more than two billion people linked to the Internet. This number shows that 30 percent of the world population use the Internet. Consequently, the Internet can be used for the competitive advantage by organisations and actually it is a powerful source to use. The Internet have been using for several different purposes. Besides that, it has also brought a different dimension to commercial activities. The Internet has created a new market for both customers and organisations, and has been an alternative market to the traditional market. Web sites provide a chance to search information about products/services, place a comment or give orders. Today, with the rise of the technology, significant portion of commercial activities take place over the Internet. Since commercial activities' main goal is to sale, sale can be realised by the purchase of a different party, as we know customers. Therefore, for commercial activities, it is important to analyse online customers' behaviour. Furthermore, in order to develop and apply effective marketing strategies the factors that affect consumer behaviours should be investigated.

Literature Review

Sultan and Henrichs (2000) in his study concluded that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

Vijay, Sai. T. & Balaji, M. S. (May 2009), revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

Solomon, 1998 in his study “Consumer behavior is the study of the processes involved when an individual selects, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires”. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer's mind-set, intention and conduct in light of the online buying practice: i.e., why they employ or falter to use it for purchasing? Consumer attitudes seem to have a significant influence on this decision.

The work of Kim and Park (2005) using U.S. samples suggests that their positive attitudes as well as willingness to search for pre-purchase information leads to a strong likelihood that they will buy online. Online shoppers, are required to have computer skills in order to use the Internet for shopping. Hence, those who are not comfortable with using the computer, will likely do their shopping at the traditional store, modern shop, or discount store (**Monsuwe , 2004**) because it will be faster shopping there than in the Internet shop.

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. With the number of hosts on the Internet having full-fledged from 1.7 million in 1993 to 110.0 million in 2001 (Ruthkowski, 2000).

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.

Objective of the Study

To identify the impact of demographic factors such as age, income, gender, education impacting on-line shopping (Possession of internet, Frequency of use of internet) for online purchasebehavior of consumers.

Research Methodology

A combination of discussions, interview and questionnaire method is used to collect data from the respondents. Under sample design, random sampling method has been used to collect data from the respondents. A sample size of 80 respondents is taken for the collection of the data.

Analysis and Interpretation

The results shows that 45 % of male and 55 % of female respondents participated in the online shopping survey. The number of female respondents is slightly higher than male respondents. At the same time about 44 % of the respondents in the survey come under the category of 25-35 years age, 28 % participants come under the category of 35-45 years age group, while 16% come under the category of above 45 years of age. Most of the respondents have having internet connection. The results reveal that investigation on online shopping attracting mostly population age group of 25-35 years old. People with income between Rs. 25000 – 35000 are more attracted towards online shopping. 32 professionally qualified, 28 post graduates, 13 graduates and rest 7 under graduates are having online shopping frequently. The frequency of using internet for this purpose is maximum in between 4-6 hours followed by more than 6 hours. But according to the results about 27 respondents are of the view that they have enjoyed with online shopping. 25 respondent replied that the purpose of using internet is together information, about 29 said that online shopping is easy and convenient as well.

It has been found out that age as one of the variables of demographics factor does impact Possession of internet and Frequency of online purchase of online shopping behavior of consumers. Similarly, Gender as one of the variables of demographics factor does impact Possession of internet and Frequency of online purchase of consumers. The result may be documented to the reason that females are more impulsive buyers as compared to males and are more likely to be attracted towards the promotional schemes offered by the online retailers and therefore gender has a significant impact on frequently of on-line shopping. Rising Working woman concept has also enhanced it. Income as one of the variables of demographics factor has a significant impact on impact Frequency of online purchase of consumers. Research studies by Sultan and Henrichs in 2000 concluded that the consumer's motivation to and inclination for using the Internet as his or her shopping intermediate was positively allied to income the identical is being supported. The results show that occupation as one of the variables of demographics factor does not have any significant impact on any of the variable taken for 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.

The following tables provides details about the respondents:

Classification of respondents on the basis of gender

Male	36 (45%)
Female	44 (55%)

Classification of respondents on the basis of Age

15-25 years	10
25-35 years	35
35-45 years	22
Above 45 years	13

Classification of respondents on the basis of Income

15000 – 25000	16
25000-35000	37
35000-45000	21
Above 45000	6

Classification of respondents on the basis of Education Level

Under Graduate	7
Graduates	13
Post Graduates	28
Professionally Qualified	32

Classification of respondents on the basis of Purpose of using internet (%)

Entertainment	26.25
Gathering Information	25
Shopping	20
Convenience	28.75

Classification of respondents on the basis of Frequency of use of Internet

1-2 Hrs	15
2-4 Hrs	19
4-6 Hrs	24
More than 6 Hrs	22

Conclusion

The study was accomplished to find out the impact of demographic factors on online. Online shopping is getting more and trendier in India as well as in rest of the world. According to the survey, online shopping is getting popularity in the generation such as post graduate students and professionals. Students usually prefer to buy goods from its original source and they mostly prefer online shopping. When a consumer to make purchases online to buy something, he or she is affected by assorted factors. Buy online can be of great benefit to the consumer in terms of convenience, saving time and money. Average income groups and educated people are purchasing more via websites. People have hesitations in doing online shopping due to security concerns. Sometimes, people are resistant to change because of technological complexity in making online buying. Since India is a developing nation, it is still not prepared for it. India is excited to grow to be a most important player in this market. And 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.

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