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FACTORS AFFECTING CONSUMER BEHAVIOR ON ONLINE SHOPPING-A STUDY ON BANGALORE NETIZEN'S

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ABSTRACT

English entrepreneur Michael Aldrich invented Online shopping in 1980's now it became a necessary for the consumers in developed and developing countries. E-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. Though online shopping is very common outside India, its growth in Indian Market, which is a large and strategic consumer market, is still not in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India. The present 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, future purchase intention, frequency of on-line shopping, number of items purchased, and overall spend on on-line shopping. The data was collected through Questionnaires. The results of study reveal that on-line shopping in India is significantly affected by various Demographic factors like age, gender, marital status, family size and income. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area.

INDEX TERMS- On-line shopping, Demographic factor, Age, Gender, Income

I. RETAILING IN INDIA

Currently the retail industry in India is gearing up. It is not widely accepted as the way it is accepted in sovereign nations. India is excited to grow to be a most important player in the retail market. Since India is a developing nation, it is still not prepared for it. And they are leaving no stone unturned to become the best in retail Industry. Also India with a high on cross culture factor, it allows different companies bringing in variety of products Targeting different consumer segments.

According to the Global Retail Development Index 2012, India ranks fifth among the top 30 emerging markets for retail. There are many factors contributing to the boom in this sector. Some of them are increased consumerism with the ability to afford luxury items. Even there is increase in the spending power of Indians. Indian's are travelling abroad and they are exposed to different cultures, their way of living, their style and thereby more brands. Global marketers targets the Indian market because in our culture there is lot of considerations for occasions like marriages, festivals and other important events. Hence it's imperative for people to



spend on gifts as a part and parcel of life irrespective of caste and creed and economic status. As there is no limitation to the spending power, Cities like Bangalore, Chennai, Kolkata, Nagpur, Cochin, Hyderabad etc has fine market for about all goods or service which offers a good proposal for a brand to penetrate Indian market. The Retail sale over e-commerce portals in the country touched an unprecedented high of \$5.30 billion during 2014. Internet penetration rate in India is 7.1% which is one of the highest in the world. The Total retail sale in india has increased from \$635.25 billion in 2013 by 2018 it is expected to grow to \$1244.58 billion, growing sturdily at 14 to 15% annually.

II.E -TAILING IN INDIA

The fact that world is fast dwindling into a universal community for the reason that of Internet and other communication mediums is not completely reflective in the Indian context. While developed and fast developing countries have understood the influence of Internet, India is also started stepping in to the era of giving importance to the web bases. After Demonetization effect and the free net services from JIO indirectly motivating the digitalization of Indian economy. Government started motivating consumers to drive in to the pool of e-commerce. The retail industry campaign has been repainted by Internet and the rules of the game in retailing are fast altering. The western culture has affected each and every aspect of our Indian Society. The life is becoming fast not only in metros but also in the normal cities. The number of nuclear families is increasing and both husband and wife are working, as they have less time to go to the market for purchasing every now and then.

Some other hurdles like shortage of time, traffic jams, late working hours, versatility of plastic money and above all the approach of internet at the door step of whosoever desires it. Online retailers have improved their service and consumers have found it convenient. There is been transformation in payment mode as well. From advance payment it is moved to cash on delivery (COD). Even in case of delivery pattern is changed. From fixed delivery timings it is moved on to convenient delivery timings at the choice of the customer. India has opened the doors for foreign direct investment in retail.

Indian market is dominated by unorganized players but there is potential in the area of retail players as well. Entry of bigger players such as Big Bazaar, More etc to even in the rural areas is paved the way of growth in its sector. There is been rise in the increase of Indian middle class people due to rapid economic growth. Though the population of using Internet in India is low in terms of by and large percentage of total population but, in total numbers it is very high. This gives enormous opportunities for various ecommerce sites to get in touch with this segment. The population accessing in India is the age group from 18-45. Irrespective of this fact online retailing forms a meager 0.08% of the entire Indian retail markets. Market players have to be more positive, revolutionizing and pioneering in their approach and offering to make serious inroads. In the current market, bulk of online sales is in a range of items. This market in India needs to leap to the next level.

III. ONLINE PURCHASING

As majority of the consumers are still making their purchase in a 'brick and mortar store' much of the research and decision making process is being done online in advance of the purchase.

Online purchasing is the technology infrastructure for the exchange of data and the purchase of a product over the internet. Online purchasing is a metaphor used in B2B electronic commerce for providing customer with an online method of placing an order, submitting a purchase order or requesting a quote. eg. Short buying-visit shops and decide the shop based on quality, sizes, colours and prices at different stores. It provides information and activities that give your customer the knowledge to make informed buying decisions, eg. Car purchasing- search the prices and features of cars online.

The customer may visit the site to find information. Internet provides him with an easy way to shop for different products so that he can compare features, functions and comparative prices. For B2B transactions, online shopping may entail an extranet (private website) that include information that business partners may need to conduct business. It provides standard product copy, product features, logos, case studies, technical specifications and product availability on his site. A retailer goes to this site to download the above and a graphic

for a mailer or newspaper insert. By accessing business partner's online shopping site, the retailer can be ensured that the picture matches the product and the product will be available in the necessary quantities for promotion. Online shopping for B2B transactions speeds up information gathering and access process and providing timely access to accurate information.

Online purchasing is defined as the infrastructure to allow the purchase of products over the internet. If a customer is interested in buying office supplies, he might go to the respective website's American companies of over 500 employees found the 80% used the internet for marketing activities and 10% for online purchasing. 45% of the companies surveyed said that they have planned to implement online purchasing in the next two years.

IV. RIEVIEWS

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.

According to AmitSaha explained about online shopping as "Purchasing products or services over the Internet, online shopping has attained immense popularity in recent mainly because people find it convenient and easy to shop from the comfort of their home or office and also eased from the trouble of moving from shop to shop in search of the good of choice. Online shopping (or e-tail from electronic retail or e-shopping) is a form of e-commerce which allows consumers to directly buy goods and services over the internet through a virtual shop. Some of the leading online stores currently in India are Amazon, Flipkart, Snapdeal, Homeshop18, Myntra etc. Retail is a process of selling goods and services to customers through multiple channel of distribution. Retail stores may be small or big but they mostly operate in the same line as "purchasing to sale". Retail form of business is as old as civilization and is the most basic form of business. In his research.

(Schiffman, Scherman, & Long, 2003 in his study researched that "yet individual attitudes do not, by themselves, influence one's intention and/or behavior. Instead that intention or behavior is a result of a variety of attitudes that the consumer has about a variety of issues relevant to the situation at hand, in this case online buying. Over time the Internet buyer, once considered the innovator or early adopter, has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels (Ernst & Young, 2001; Mahajan, Muller & Bass, 1990),

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. 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. Goldsmith and Flynn (2004) state that the home catalog is another traditional selling channel where people can shop at home because of the varieties of products offered in the catalog. They can order through the phone or by mail. It is convenient except that they are not able to touch and feel products before purchasing.

V. RESEARCH OBJECTIVES

To identify the factors impacting on-line shopping behavior of consumers with special emphasis on Age,

Gender, Education, Income, Based Usage of internet, Frequency of online purchase, stimuli for online purchase.

VI. RESEARCH METHODOLOGY

Methods of data collection:

Questionnaire method is used to collect data from the respondents.

Sample Design:

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

Sample Size:

Sizes of 50 respondents are taken for the collection of the data.

Data Analysis and Interpretation:

In data analysis and interpretation method of "ANOVA" is used to analyze the data.

Consumers' Response Variations for Online Behavior Based On Age Groups

Dependent variables	Mean	Std. Deviation	F-Value	Sig.
Usage of internet	1.17	.320	7.125	.000
Frequency of online purchase	3.56	.577	4.561	.006
stimuli for online purchase	1.97	1.024	1.493	.225

Analysis:

The information on above table show that Age as one of the variables of demographics factor does impact usage of internet and Frequency of online purchase online shopping behavior of consumers.

Consumers' Response Variations for Online Shopping Behavior Based On Different Gender Groups

Dependent variables	Mean	Std. Deviation	F-Value	Sig.
Usage of internet	1.17	.320	7.125	.000
Frequency of online purchase	3.56	.577	4.561	.006
stimuli for online purchase	1.97	1.024	1.493	.225

Analysis:

The results show that 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 towardsthe 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. Females also believe in status quo and emulate others in shopping.

Consumers' Response Variations for Online Behavior Based On Different Income Groups

Dependent variables	Mean	Std. Deviation	F-Value	Sig.
Usage of internet	1.17	.320	2.927	.027
Frequency of online purchase	3.56	.577	5.397	.001
stimuli for online purchase	1.97	1.024	1.056	.386

The results show that Income as one of the variables of demographics factor has a significant impact on impact Frequency of online purchase of consumers as well as motivation to purchase.

VII. CONCLUSION

The results for consumers' response across different demographics factors shows that gender does impact usage of internet and Frequency of online purchase of consumer's. Income as one of the variables of demographic factor has a significant impact on frequency of online purchase. 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. Companies must try to impose some measures to increase the quality of products and services to raise the stimuli of online customers can boom the e-commerce in Indian market.

VIII. SUGGESTIONS

The results of the study can be utilized by practitioners in relooking or revamping their strategies for online shopping. So companies should devise the policies and strategies to magnetize more number of people in this segment in future also. Online retailers should also look into the prospect of real time communication 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 Bangalore. This study finds agreement amongst variety by including people of different age, income, gender segments.

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