

An Analytical Study of Online Shopping Behaviour

Abstract

Online shopping is method of purchasing goods and services through the electronic channel. It has opened the doors of opportunity to have advantage over the other firms. Now-a-Days consumer have becomes techno savvy and wants comfort. This paper is an attempt to understand the different reasons of the consumers to do online shopping and also to know their intentions for online shopping. This paper adopts an in-depth literature review by using the content analysis. The literature taken for the review is from Indian as well as from global context. The finding of the paper reveals that customers are purchasing product through online channels due to convenience, discount offer, ease of use, previous online purchase experience, perceived risk etc. The e- retailers must understand these factors and must make effective strategy to attract more and more buyers.

Keywords: Online Shopping, Consumer Buying Behaviour, E-Commerce , Perceived Risk and Online Purchase Experience.

Richa Rastogi

Research Scholar,
Deptt. of Commerce,
M.J.P.Rohilkhand University,
Bareilly,

Introduction

Global economy has changed the way the business are operating today. With the rapid global growth in electronic commerce, businesses are using it to interact with the customer's. E-commerce, as retail channel has been phenomenal growth over the last couples of years. The development in technology including computers, the internet, smartphones and tablets, allow Consumers to access information wherever and whenever, whilst marketing messages can be targeted effectively and consistently 24 hours a day, seven days a week (Baker, 2003). Today, the Internet is a public, cooperative and self-sustaining facility accessible to hundreds of millions of individuals worldwide (Janacek & Muchhala, 2004). It is driven by demand factors such as substantial rise in internet penetration, increasing speed of broadband connection and increasing use of smart phones etc. and by supply factor such as increased proliferation of venture capitalist/private equity funded e-commerce start up. Online shopping has reformed the business world by making all that anybody could need accessible by the straightforward snap.

Online shopping (here and there known as e-tail from "electronic retail" or e-shopping) is a type of electronic trade which enables purchasers to specifically purchase merchandise or administrations from a vender over the Internet utilizing an internet browser. Elective names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online customer facing facade and virtual store. Portable business (or m-trade) depicts buying from an online retailer's versatile upgraded online website or application. In the case wherever a business buys from another business. the method is named business-to-business (B2B) on-line shopping. The largest of these online retailing corporations are Alibaba, Amazon.com, Flipkart, Snapdeal, Shopclues, Myntra, Jabong and eBay.

Online shopping is quickly becoming the foremost choice of people in the world for modernization because people find it convenient and easy to bargain shop from the comfort of their home or office. A standout amongst the most luring element about web based shopping, is that it mitigates the need to hold up in long queues or scan from store to store for a specific thing. There are many heaps of website for an online shopping as well as provides best discount offers, deals free shipping and payments and many more. The major benefit of online shopping that we can purchase anything from whatever nook of the globe.

As per the study done by Boston Consultancy Group in 2013-2014 in which they found the digital influence on consumers has increased

Rajeev Mehrotra

Associate Professor,
Deptt. of Commerce,
Bareilly College,
Bareilly

and it is assumed that it is going to increase from 6 percent in 2013 to 14 percent by 2016.

Online Shopping Behaviour

Online shopping behaviour which is also known as online buying behaviour refers to the process of buying products or services through the Internet. Similar to traditional buying process, online shopping also consists of five steps (Liang and Lai 2000). In the customary web based shopping process, when potential purchasers recognize a requirement for certain products or administration, they go to the Internet and scan for need-related data are identified with the felt need; therefore they begin to assess options and pick the one that best accommodates their criteria for meeting the felt need.

The web transformation has realized a change in outlook in the manner in which things are finished. The Internet and overall web (www) have drastically changed the manner in which shoppers look for and use data.

The Internet, which was earlier conceptualized as a tool for enquiring information, has become an important place of business these days. For organizations, the way to survival later on relies upon how well they can incorporate this medium in their plan of action today. So as to sell anything over the web, they need to consider that who their clients are, what their ways of managing money resemble and the items and administrations they lean toward.

Internet shopping is more open than it has ever been in the advanced time with the presentation of tablets, cell phones, simple checkout frameworks and progressively secure frameworks. Thus, the web based business industry is producing higher deals volume.

According to Forrester analysis, the web retail sales volume for the America 2012 is \$231 billion. This figure is foretold to grow regularly to \$370 billion in 2017. Forrester additionally reports that fifty three of individuals within the America shopped online in 2011 and it's foretold to grow to fifty eight in 2016, in step with the U.S.

Consuming habits have experienced significant moves in the years after independence. For individuals conceived in the post – autonomy period, deficiencies were a lifestyle. They were not keen on the decorations or extravagant highlights and purchased what they got paying little respect to amount. It was bit like Henry Ford's famous quote about the model T Ford: "the customer can have any color he wants, as long as it's black." Today's customer is a different kettle of fish. Middle class disposable income are increasing and they are focusing more on spending rather than saving.

Because of exponentially rising business opportunities, there are various services being offered on the web. Web based shopping has developed as a standout amongst the most noticeable administrations accessible through web. It has huge focal points for the clients just as business houses.

Through on-line shopping, business houses have been able to reach out to more customers at less cost. They have been able to reach out to

customers living in villages. Truth be told these are going about as venturing stones to idea of worldwide town. Progressively over the stock administration overheads additionally decline essentially through web based shopping. In any case, it isn't that the internet shopping has profited just the business houses. As truly stated "Customer is the King today", the concept of on-line shopping will not materialize if the customers are not benefited.

Aim of the Study

This paper presented the summary of the various factors of doing online shopping in India.

Review of Literature

It has been generally recognized that no work can be genuinely imagined and soundly achieved without fundamentally contemplating what as of now exists in connection to it. It is the study of already established information bearing on area that understand clearly what's already lighted up there in area and what still remained undeveloped in darkness. When we come to think about that what is now examined and what distributed is forgotten, at that point we can continue legitimately and deliberately.

According to Kargaonkar & Wolin (1999), factors contributing to online shopping include social escapism, transaction based security and privacy concerns, information seeking interactive control, socialization, non-transactional privacy concerns and economic concern.

Zhou et al. (2007) expressed that shopping motivation, innovativeness, perceived outcome, shopping orientation and normative beliefs are the factors contributing to online shopping.

Shergill and Chen (2005),

Lin and Lee (2002), has studied the e - services dimension which leads to customer satisfaction and further their intentions to buy their products, in their study they have developed a research model and used confirmatory factor Analysis by conducting research on 297 online customer.

Than and Grandon's (2002) identified web site design characteristics as the dominant factor which influences consumer perceptions of online purchasing.

As per study done by Ranganathan and Ganapathy (2002), it was found that there are four key dimensions of online shopping i.e. web sites; information content, design, security and privacy.

According to Colin & Enos (2000) accessibility to shop during off-hours, avoiding trip to the stores, saving time, being able to purchase from non - local merchants, competitive prices, avoiding salesman pressure and easier product-comparison were the main advantages contributing to online shopping. Some factors also de-motivate consumers for online shopping. These include lack of physical product, privacy invasion, lack of knowledge of shopping channels, unwillingness to pay and wait for delivery, website reliability, lack of satisfaction with products, lack of ability to use online shopping, desire for recreational shopping experiences, absence of physical store exposure, Internet fraud and transaction security (Ellen, Bearden & Sharma, 1991; Pastore,

1999,2000,2001; Jeandrain, 2001; Lynch,Kent& S(Nayyar R, 2011) (Mohanty AK, 2008) (D.A.Karayanni, 2003) rinivasan, 2001; Fuscaldo, 2003). Also, according to Lucie Pokoma, an analyst at Czech based Research company found that three quarters of show owners.

Bagozzi (1974) in his study reveals that E-shopping conduct is a convoluted choice procedure. In the first place, buyers settle on a shopping choice dependent on their family needs, spending impediments, and different requirements impinging on them. Appropriately, they are probably going to limit exchange costs and boost similarity with necessities. Second, e-shopping conduct is a social impact procedure and it is influenced by social impact (e.g., social norms), merchant and customer qualities, and third parties (e.g., competitive offering).

Chiang & Dholakia (2003) in their articles examined consumer's intention to shop online the information acquisition stage. The study incorporated three essential variables which are likely to influence consumer's intentions: a) Convenience characteristics of shopping channels, b) Product type characteristics and Perceived price of the product.

Vijasarathy (2003) examined the relationship between shopping orientation, product types and consumer intentions to use the Internet for shopping. He pointed out that the results of the regression analysis showed that the product type, did have a significant independent effect on intentions to shop online; it did not have a moderating effect on the relationship between the later and shopping orientation.

Monsuwe, Dellaert and Ruyter (2004) in their paper proposed a framework to increase researcher's understanding of consumer attitudes toward online shopping and their intention to the shop on the internet. The framework uses the technology acceptance model (TAM) as a basis. Author suggested that consumer's attitude toward internet shopping first depend on the direct effects of relevant online shopping features. Online shopping features can be either consumer's perceptions of the functional and utilitarian dimensions like —ease of use and —usefulness or their perceptions of emotional and hedonic dimensions like —enjoyment.

Kim and Lee (2004) in their study focused on various factors affection online search intention, which has been found to be a key predictor online of online purchase intention. They conclude that the utilitarian value of internet information search, hedonic value of internet information search, perceived benefits of internet shopping, perceived risk of internet shopping and internet shopping experience predicted online search intention quite well.

As per report, "Indian Online Retail Market Analysis", online retail in India has been growing in the country at an unexpected rate. People have started buying products online due to increasing penetration of internet and availability of broadband connectivity, and increased usage of Smartphones and tablets. Further, the significant explanations behind web based purchasing is Cash on Delivery, discounts and offers given by the online retailers. The

bustling way of life in metros is likewise driving individuals to purchase items on the web. On considering the most recent patterns and drivers, we saw how the developing offers of children's items and basic need are relied upon to help the online retail advertise in India

Schimmel (2005) conducted a survey of consumers to examine what media message methods derive consumers to shop online. Word of mouth and public relations efforts were the most important motivations, while online communications were the lead effective.

Rajamma and Neeley (2005) examined the influence of social orientation of the customers. The study found that online shoppers are more likely to be out shoppers and are likely to derive more enjoyment from shopping. The social orientation of the shoppers did not influence their online shopping preferences. In addition it was found that as pointed out buy earlier studies, men preferred to shop online more than women.

Jajawardhena, Wright and Dennis (2007) examined the purchase intention of online retail consumers, segmented by their purchase orientation. The authors concluded that the consumer purchase orientations have no significant effect on their propensity to shop online. It additionally uncovered that viewpoints that do significantly affect their buying are previous purchase and gender.

Prasad and Aryasree (2009) explored the determinants of shopper behavior such as convenience, customer service, trust, web store environment and web shopping enjoyment. The researchers reasoned that comfort, web store, web based shopping pleasure and customer's services, instead of perceived trust, significantly affected eagerness to purchase from online retail store. Expect trust and customer's service, all other factors were significant with reference to patronage of online retail stores.

Rao and Mehdi (2010) in the study explored the behavior of internet users. They concluded that security was the most important factor from online factor from online buyers followed by reliability factor.

Bannergy, Dutta and Das Gupta (2010) conducted a study on customer's attitude toward online shopping. The study revealed that among the 202 respondents who shopped online, 89.1% were satisfied and 96.1% satisfied customers also intended to indulge in online shopping in the future. The researcher also revealed that there was a significant association between online shopping and monthly family income, frequency of internet usage and time spend per session on internet use.

Michal Pilik, (2012) examined that internet purchasing conduct is influenced by different components like, economic factors, demographic factors, technical factors, social factors, cultural factors, psychological factors, marketing factors and some legislative factors. Clients pick an online-shop basically dependent on references, clarity and menu route, terms of conveyance, visual depiction and extra administrations. Confounded clients read talks on the Internet before they spend their cash on-line and

when clients can't discover the item rapidly and effectively they leave online-shop.

A study by ACNielsen (2009) has revealed that more Indians are taking to shopping online by covering 38 markets and over 21,100 respondents across the globe. It suggested that there is an upward trend in online shopping around the world. A significant observation of the study was that India beat the global counterparts in number of purchases per month. The most favoured mode of payment in online purchasing is cash- on- delivery followed by the use of credit cards. Web based shopping in India is balanced for more prominent speeding up as more makers and suppliers incorporate the Internet into their business display.

Karim (2013) conducted a study on online shopping behaviour and recorded that online merchants can guarantee their buyers for exchange security and maintain a strategic distance from long deferrals in finishing on the web orders and the issue of returning products for better web based shopping knowledge.

Morris (2013) in his study on 'More Consumers Prefer Online Shopping' Shoppers progressively need what's known as a "consistent omni channel understanding," which means one in which retailers enable them to join on the web and physical perusing, shopping, requesting and returning in whatever combo they might want.

Mohamed Khalifa, Sammi K. N. Cheng, Kathy NingShen (2012) proposed a confidence model. Their study was an extension of the theory of planned behaviour (TPB) by integrating confidence as a moderator for the relationship between attitude and intention. Further, they found that trial, communication and observation are identified as the sources for confidence with m-commerce and their effects are studied through exposure.

HongjiangXu and Jiayun Yang (2012) conducted a study and research focuses on the issues that are related to M-commerce successful implementation, such as integrating the function of business intelligence and information system management to M-commerce, applying businesses process management to M-commerce, and solving the security and privacy issues which could impede M-commerce

Katawetawaraks and Wang (2011) in their study provide an overview of online shopping decision process by comparing the offline and online decision making and identifying the factors that motivate online customers whether to buy or not to buy online. It is found that marketing communication process differs between offline and online consumer decision.

UpasanaKanchan, Naveen Kumar and Abhishek Gupta(2014),this study was conducted to understand and analyze the factors effecting online purchase decisions of Indian customer. The findings of the study indicate that customer online purchase intentions are significantly related to their gender, education, age, security concern, technological familiarity, and past online purchase frequency. Consumer buying behavior is also affected by product type, purchase frequency and expensiveness. Their

purchase decisions are also found to be related with the online retailer's services like return, refund and delivery services.

S. Aruna and A. John William (2015) their examination expects to dissect the shopping conduct of online customers. The consequences of study uncover that internet shopping in India is essentially influenced by different statistic factors like age, gender, education and income. Further the results of the investigation propose that evaluation of customer's shopping conduct can add to a superior comprehension of buyer shopping conduct in regard of web based shopping.

Findings

On the basis of the study done on the various literature available on online shopping,internet buying behaviour,purchase intentions and e- services quality and many more factors for doing online shopping, it has found the following reasons for the buying through online channels are summarized as follows:

In Global Context following are reasons sons for doing online shopping

1. Shopping Orientations
2. Demographics factors like age , gender,education etc
3. Trust
4. Brand orientation
5. Unplanned Buying intention
6. Prior experience on online shopping
7. They perceived usefulness, ease of use and perceived risk
8. There are some behaviour factors ,price and product quality
9. They also considered service stability and service diversity.

In Indian Context the above following are the reasons for online shopping are as follows

1. Shopping orientation
2. Trust
3. Demographics and prior experience on online shopping
4. Increasing urbanization
5. Versatility of plastic money
6. Increasing no of nuclear families
7. Technological revolution
8. Increasing income
9. Effortless buying and wider use of internet with cyber security.

Conclusion

During the last five years, there is a continuous growth of online shopping as compared to previous years .The study conducted shows various factors or reasons for the online shopping over the traditional shopping or physical shopping. It has found that there is very large scope for the online marketers to make strategies to attract more and more customer, through the study we have find the online shoppers mostly buys Apparels, Gadgets, kitchenware and Mostly Cosmetics items, their decisions for online shopping depends upon convenience, time saving easy availability and discount on the items they purchased through internet.

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