

Buying Behavior of Consumers in Online Market: An Indian Perspective

Dr. Pooja Shukla

Research Scholer, Lucknow University

Abstract

In recent years there is a transformational change in online shopping in India. Predicting consumer buying behavior in online shopping has proved to be very difficult for online store owners. The main aim of this paper is to identify the factors which influence consumers to purchase products from online stores. From the detailed literature review, six factors are identified: website comparison, website advertisement, website quality, website awareness, and website experience and website information all of which are found to have significant impact. A conceptual framework is developed for better understanding the buying behavior of online consumers in India.

Keyword: Online shopping, Consumer Buying Behavior Factors and E-commerce

Introduction

The Indian consumer market has higher disposable income the development of modern urban lifestyles. Increase in consumer awareness has affected buyer's behavior in cities, towns and even rural areas. According to a 2010 report by McKinsey & Co., India is set to grow into the fifth largest consumer market in the world by 2025. Rising incomes in the hands of a young population, a growing economy, expansion in the availability of products and services and easy availability of credit all has given rise to new consumer segments and a rising acceptability of debt, whether it is mobile phones, credit cards, apparel or organized retail, people clearly seem to be spending more, particularly on discretionary items. The credit facility from business houses has been increasing at a rapid rate. This shows the terrific cut-throat competition in the ever changing market.[1]

Today's consumer market is made up of older and newer elements and is basically a hybrid. Advantages and unique features of online market are many. The IT revolution has changed the style of shopping by offering it on touch of fingertips via online shopping. It has simplified the purchasing style to one click and eliminating all the hassle like going one shop to another for purchasing. Today people can shop anything at any place at any time and get it shipped at their doorstep by doing just few clicks. Online shopping has influenced the consumer behavior in many ways like for example increased consumer power, excess to information, more products and services, interactive and instant exchanges, access to multiple shopping websites, flexi-time and place convenience etc. Therefore the single label, homogeneous market is a short story that no longer exists for online retail sector. Today the mass market has been disjointed and melting into number of particles due to factors like technology, education, income and media which play a leading role in shaping the consumer buying behavior. Today the need of the consumer market is to think fresh that how to identify

and satisfy their potential customers of online consumer market. Marketers must have to employ a strategy of segmentation, screening the market as being made of small segments based on their buying behavior. [2-6] Some predictive analytic data are listed below regarding Indian online shopping with the help of e-commerce:

- In 2017, retail e-commerce sale amounted to US \$3.59 billion and is projected to grow to US \$17.52 billion in 2018. The expectation of growth in global market is 33 percent in 2019 and over 37 percent in 2021. Over 653 million people are expected to buy goods and services through online sites in 2018. [www.satista.com]
- "More over great offers and discounts by the leading e-commerce players further increase consumer interest towards the product"- Karan Chechi [www.indiatimes.com]
- Placing orders is expected to grow from five million in 2018 to 12 million in 2019; it leads to more opportunities for both e-tailers and consumers. [www.pwc.in, Technopak Accel partners], The number of Indian online shoppers is expected to grow from 20 to 40 million by the year 2017.
- In 2017, nearly 35 percent of online sales will be influenced by women. Placing orders by buyer per month is also expected to grow from 1.55 percent in 2016 to 1.70 percent in 2017.[www.trak.in]
- The worth of the market was US \$2.5 billion in 2009 and estimated to reach US \$20 billion in 2015 and US \$56 billion in 2023. Because e-commerce is growing rapidly, there are heavy foreign investments in India's e-Commerce companies. [www.newslake.in]
- The size of Indian e-commerce market in 2013 was US \$3 billion, and its growth is expected to reach US \$15 billion in 2017-Avni Bajaj, Co-founder Director for Matrix Partners, India.[www.internetretailer.com]

These prescient examinations show that internet shopping will fill hugely soon. In this way online

storekeepers should zero in on which truth or generally influences purchaser purchasing conduct in web based shopping. Internet shopping has expanded worldwide because of its accommodation and low value presenting to clients [1-10]. Items conveyed by online store channels may not generally prompt fulfilled clients, as it might by chance prompt breakage of merchandise, absence of trust, conveyed for minimal price on schedule, yet more costly vehicle or high delivery charges and so forth Internet shopping is utilized in Business to Business or Business to online business exchanges.

Objectives of Study

- To understand consumer buying behavior of Indian consumers in online shopping.
- To identify the factors which influence the consumers to buy product or services online
- To predict consumer buying behavior in online sites leading to better understanding of their market position in the current scenario.

Consumer Buying Behavior

Buyer purchasing conduct can't be isolated from the showcasing climate. Buyers assume three significant parts in their purchasing circumstance, viz., purchaser, client and payer. It is the interaction itemizing how buyers draw in while purchasing various labor and products in on the web and disconnected business sectors. In internet shopping it is truly challenging to comprehend and anticipate customer purchasing conduct and their buy choices. From the itemized audit of writing the conduct of purchasers can be dissected with an appropriate reasonable system. Six components have been distinguished as impacting customer purchasing conduct. Customer conduct and its difficulties towards internet shopping assume a significant part in e - shopping climate. Customer's requirements, needs, insights and dynamic styles are hard to comprehend for the internet based storekeepers [2]. Purchaser insight might change as indicated by their passionate convictions. In this way, understanding purchasing conduct is vital for long haul business association [26]. In view of the definite writing audit, a calculated model for buyer purchasing conduct in internet shopping is displayed in Figure 1.

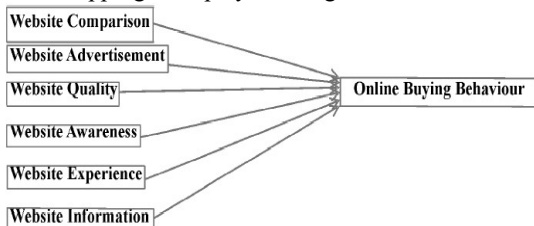


Figure 1: Conceptual model for consumer buying behavior in online shopping

Factors Affecting Consumer Buying Behavior in Online Shopping

a) Website comparison

Kinker [8] set forth that customers who are purchasing the items on the web, don't have any cutoff points. They contrast the items proposed with be bought with different sites by value, surveys, news and benefits, etc. Looking at the item cost in internet shopping is worthwhile with respect to the shopper. [29-32] besides looking at value, it permits the client to track down the best arrangements in sites. [19] Set forth that looking at the site item or administrations, value, advancements, and so on actuate buyer to shop on the web.

H1: Comparison factor has significant effect in online buying behavior.

b) Website advertisement

Creating effective advertisement is the backbone of all marketers. Many online companies fail to attract the online consumers due to lack of web advertisement and this plays an important role in the marketing system [13]. Malik [21] found significant impact of advertisement in consumers online shopping.

H2: Consumer buying behavior is significantly related with e-advertisement.

c) Website quality

From the detailed literature review, the relationship between website quality and consumer buying behavior in online shopping is explored. Li and Zhang [16] proposed that better website quality provides proper guidelines to the customer to make purchases effectively, besides leading to visiting the website again.

H3: Online website quality has positive impact on consumer buying behavior

d) Website awareness

Online site awareness also plays a crucial role in shopping. Park [20] studied the relationship between awareness and relational benefit and found that it is based on external environment like word-of-mouth, discussing about website with society, etc. Awareness leads to reduced risk in online purchasing, besides helping to gather more information regarding product or services.

H4: Consumer buying behavior in online shopping has positive impact on website awareness

e) Website experience

Constantine's [24] put forth that web experience helps to analyze the impact of internet users in online shopping and stated that consumers web experience may vary from new visitors and existing visitors. Consumer internet shopping intention has direct impact on their purchase experience [26].

H5: Consumer online buying behavior significantly affects this web experience

f) Website Information

Varma [26] put forth that influence of social media is comparatively less in information in websites for online shopping. Availability or product information like price, quality, etc. makes easier it online shopping [28]. But customer cannot touch and feel the products and services in online site.

H6: There is significant relationship between website information and consumer buying behavior.

entation. This report may not provide the best possible market scenario and the effort scan always be made to have this project report more effective and useful

Conclusion

Today, online business sectors are profoundly aggressive. Plus, Consumer's assumptions and discernments are additionally expanding. From the point by point writing survey, six components have been distinguished in this review viz., site correlation, site ad, site quality, site mindfulness, site insight and site data. Every one of the six components have huge relationship with one another. In this way, the internet based storekeepers should know about these elements while presenting any thoughts or items in their destinations and it will assist with holding the current clients and make new clients.

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