Factors Influencing Consumer Behaviour in Online Shopping: A Comprehensive Study

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Abstract: Online marketing involves promoting and selling goods and services through the internet without buyer and seller coming in direct contact with each other. In the rapidly growing digital era, the role of online marketing in modern marketing has become part and parcel of the strategy of planning and success for any organisations. The marketing strategy adopted by firms to reach out to its customers has also undergone an incredible change. It is the internet which has changed the way of life. The business has always changing its dynamics in line with the expected behaviour of its consumers. Online marketing has developed into a full-fledged platform to spread details about a company's brand, products or services to its potential customers and market the same. Internet has changed the way consumers shop for product and services globally. It has played an all pervasive role in the context of covid-19, where this sector has seen substantial increase in usage pattern. In this scenario, it is essential for the businesses to understand the factors influencing consumer behaviour to shop online. Online marketing is a crowded place with many players vying for their pie. So right strategy is required to survive in the market place. The success and failure of the companies depend on the strategy it has chosen to reach out its targeted consumers. This study aims at studying the factors influencing the consumer behaviour towards online shopping. Through this study a marketer will be able to analyse the possibilities and future prospects of online marketing through consumer behaviour. The method of collecting data are primary and secondary sources. Statistical tools like tabulation, percentages, and factor analysis are applied for analysing the collected data. This study was accomplished to determine the consumer behaviour in Chennai .

Key words: Marketing Strategy, Potential Consumers, and Online Marketing

I. INTRODUCTION

Online marketing involves promoting and selling goods and services through the internet without buyer and seller coming in direct contact with each other. In the rapidly growing digital era, the role of online marketing in modern marketing has become part and parcel of the strategy of planning and success for any organisations. Online marketing has developed into a full-fledged platform to spread details about a company's brand, products, or services to its potential customers and market the same. Internet has changed the way consumers shop for product and services globally.

It has played an all-pervasive role in the context of covid-19, where this sector has seen substantial increase in usage pattern

In this context, it becomes all the more essential and pertinent for businesses to focus and understand the consumer behavior for enhancing internet, potential customers, influencing, online marketing their experience in the online market place and also to extract their own targeted business through this medium.

A. Role of Internet in Marketing

In the rapidly growing digital era, the role of online marketing in modern marketing has become part and parcel of the strategy of planning and success for any organization. As it is said, Internet marketing, which also goes by the names of online marketing, digital marketing, web marketing, e-marketing, etc., is the method of promoting brands, products, or services, through Internet. The worldwide reach of the Internet has made every business to easily reach various new customers and develop the relationship between businesses to businesses (B2B) and businesses to consumers (B2C). With the use of the Internet, marketers are able to disseminate their brands, products, and services on a global level round the clock. Also, through different websites, blogs, and social media platforms, consumers' can get information about the products and their reviews wherever they are Internet marketing thrive a better way in attaining better branding and creating awareness of the products that they offer to the Consumers. Through online marketing, organizations can reach their target customers easily. While all this is said and done, internet marketing in the still to be developing economies are only complementing the traditional neighbourhood brick and mortar stores and have not yet replaced them completely.

B. Online Marketing

Chaffey et al. (2000) [1] describe intern et marketing as 'The application of the internet and related digital technologies to achieve marketing objectives'. Due to the enormous success, popularity and the ease of operation, online marketing has fully changed the business activities and has been accepted and followed from small to the large businesses. Online marketing gives an opportunity to the businesses to capture a wide area in the highly competitive market and it involves looking at using the cost effective digital technologies. It also helps in expanding the business globally. Expansion of business also happens through the word of mouth and online reviews of satisfied customers who have shopped online on the company's offering as it provides an opportunity to the customers to compare and prepare for their intended purchase.

All income groups of people perform online shopping as there is different variety of products available at different prices and different payment methods which become more suitable for the customers to do online shopping. The impact on retailing has become more attractive and thus many businesses are creating this alternate channel to sell their goods and services. India is the world's 3rd largest internet population. After the creation of Internet, Marketing strategy[7][8][9] has taken a step forward to reach out to the public. Boudhayan et al. (2010) have found that customers in India were particular about security, privacy and self-efficacy.

C. Historical Background of Online Shopping

At present internet has immensely changed the mode of shopping. Online shopping has got remarkable development as one can have the convenience of shopping anytime, from anywhere. Comparison of the product features and their prices also can be done from where we are [10].

E-commerce was created to elucidate the business activities taking place by making use of technologies like Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). EDI and EFT are the vital technologies of e-commerce that plays major role in exchange of information and execute transactions such as placing purchase orders and generation of invoices electronically. At present it has been observed that many of e-commerce services such as online food ordering, media streaming, online advertising, online marketplace, brick and mortar retailers, e-commerce payment systems and online store fronts have emerged in recent years.

D. Reasons for Preferring Online Channel

There is a notable difference between online and offline shopping channel. Kashif et al. (2011) have found that online shopping is easy, affordable price, comfortable and better than conventional shopping due to a variety of factors.

In online shopping the expectation of every customer is convenience, quick delivery, price benefits, promotional offers, product comparison facility etc. These features are also possible in traditional shopping methods. But lifestyle has changed the mind-sets of consumers and they are finding it complicated to shop from traditional channels. As a result of all these issues online shopping emerged and started to grow as an alternative. The internet has provided marketers an avenue to create value and build customer relationship through online shopping. Online shop permits the customer to surf the entire product offered by the vendor, view images of the products, along with the complete product specifications, including features and prices. The widespread acceptance to Online shopping is the result of the below advantages vis-à-vis in comparison to shopping at the neighbourhood brick and mortar stores.

E. Convenience

Online shopping can be done by the customers anytime of the week without any time constraint. There is no time limit for making the purchase. It can be done from anywhere using a laptop or mobile with internet connection. Payment for purchase also can be made very easily. Tracking of order status, delivery & shipping status also are done promptly.

F. Time Saving

Online shopping helps customers to save a lot of time vis-à-vis offline shopping. In the case of online shopping, there is no necessity for the customers to travel long for shopping and they need not stand in long queues for billing.

G. Ease of Comparison

Comparison of the price and features of the products can be performed easily in online system through various websites. The best deal for purchase can be chosen by comparing through these websites which is mostly dependent on the shopkeeper in case of offline shopping.

H. Large Variety

An offline store is either exclusive or multi-branded. In both types there will be limited products due to space and finance constraints of the small businesses. But in case of online stores, there is a spectrum on offer for the customer to choose from.

I. Lower Prices and Discount Offers

E-shoppers can purchase the products at comparatively better prices vide online shopping since there is no involvement of middlemen between buyer and seller in the supply chain process. Online retailers provide discount offers to their customers seasonally. They often commence sales with high discount offers during the festival days and also during end of season sales.

J. Controlled Expenses

In the case of offline shopping many buyers resort to n activities like eating out, transport, impulsive shopping etc. thus ending incurring additional expenditure than expected. These expenses is avoided in online shopping.

K. Discreet Purchases

Online shopping allows a person to make the purchase in privacy. Other people or salesperson does not watch what the customers are purchasing, how much he is spending or not spending and as to how much time they are consuming in taking purchase decision etc. This enables the customer to purchase at leisure with full confidence on the quality of the product and the price that he is paying as he is not coerced to buy within a specific time or budget.

L. Less Compulsive Shopping

In offline shopping we may end up buying those products which we do not really need. The reason behind this is due to the pressure to purchase exerted by salesperson. Sometimes, it also happens that because of limitation of available choices. But in online mode, no such situation or restrictions arises with customers.

M. Customer Experiences

Today customers use internet and visit product reviews blogs and understand the past reviews/feedbacks of sellers and their products. Consumers do not invest money anywhere and on anything without confirming the actual reviews.

N. Availability of Communication Channels

Effective communication and word of mouth is the best method in online marketing to grow sales and to promote business.

The information about the products and services are explicitly made available in the websites. Consumers can stay in touch with product updates in online shopping.

O.   Relationship Marketing

Traditional marketing boosts sales and online marketing does something more, which has a greater long-term impact. It enables to build relationships between the customers and the retailers which get repeated business. Consumers become loyal to trusted brands.

II.   REVIEW OF LITERATURE

Trust on online shopping- Shalini & Malini (2015) [2]- People select flipkart for online shopping and also online shopping had become a trend in this generation. There is positive relationship between the website characteristics and attitude, trust and intention towards online purchasing.

Safety of payment and privacy issue as a barrier-Sharma (2017) [4]- The internet has given rise to great potential for businesses through connecting globally. The main barrier is the safety of payment and privacy issue in the process of online shopping. This increases low levels of trust on online stores therefore; sellers have to make proper strategies to increase the consumer's level of trust with them.

Understanding consumer behaviour

Priya and Vignesh (2019) [3][6]-The knowledge of Consumer Behavior leads to the understanding of reasons why consumers differ from one another in buying or using products and availing services. Consumers receive stimuli from the environment, and responds to the stimuli in terms of either decision on buying or not buying the product.

Factors influencing consumer behavior

Manisha Jagtap and Dr. Anand Deshmukh (2018)[5] Armstrong & Kotler (2000) –the factors influencing the consumer buying behaviour are Brand Image, Showroom Services, Engine Capacity, Safety, New technology, Product design, Warranty period, Impact of peers, Driving Comfort, Mileage , Price and Engine Power, demographic profile, such as gender, age, salary, job description and marital status significantly influenced the consumers' online shopping behaviour. Different marketing channels influence the purchase decision of consumer, especially in case of online purchase.

III.   OBJECTIVES

- Analyse the consumer behaviour in online marketing based on various attributes.
- Identify the key factors influencing consumer behaviour in online shopping.
- Analyse the impact of these factors on online purchasing decisions.

- Evaluate the findings, analyse and suggest a suitable strategy for Online marketing companies, based on consumer behaviour.

IV.   RESEARCH METHODOLOGY

Research Design

This research design of this study is based on descriptive research design and the research method is survey method.

Sample Selection

Random sampling from various demographics to ensure diversity.

Consideration of factors like age, gender, income, and online shopping experience.

This study has been confined in **Chennai** covering all the areas falling within the Chennai city. The primary sources are collected through questionnaire and the secondary sources of data used in this study came from a variety of websites, periodicals, and newspapers.

V.   SCOPE OF THE STUDY

- This research gives a broad frame work of the online customers and their behavior.
- The framework can be used as a guideline in the future business plans and making changes in the current activities.
- It gives an idea of the areas, which need emphasis and development.
- The research examines on the consumer behavior towards online marketing.

VI.   RESULTS AND DISCUSSION

Analysis of Consumer Behaviour in Online Marketing Based on Various Attributes: Frequency Distribution of Age Group and Sex of Customers

Table -1. Frequency Distribution of Age Group of Customers and Sex

SL. No.	Age Group	Sex		Total
		Male	Female	
1	18 years-25 years	82 16.9%	83 17.1%	165 34%
2	26 years -35 years	82 16.9%	75 15.5%	157 32.4%
3	36 years -45 years	39 8.0%	61 12.6%	100 20.6%
4	46 years -55 years	12 2.5%	9 1.9%	21 4.3%
5	56 years -65 years	19 3.9%	10 2.1%	29 6.0%
6	>65 years	13 2.7%	0 0.0%	13 2.7%
7	Total	247 50.9%	238 49.1%	485 100%

Table -2. Frequency Distribution of Sex of Customers and Family Income

SL No	Sex	Family Income					Total
		<Rs.10000	Rs.10001- Rs.25000	Rs.25001 - Rs.40000	Rs.40001 -Rs.55000	>Rs.55000	
1	Male	32 6.6%	71 14.6%	47 9.7%	27 10.9%	70 28.3%	247 100%
2	Female	39 8.0%	75 15.5%	45 9.3%	13 2.7%	66 13.6%	238 49.1%
3	total	71 14.6%	146 30.1%	92 19.0%	40 8.2%	136 28.0%	485 100%

Table -3. Frequency Distribution of having an access to internet Connection

Sl. No.	I have an access to internet Connection	Frequency	Percent
1	Yes	485	100.0
2	No	-	-
3	Total	485	100.0

Source: Primary Data

Table -4. Frequency Distribution of Category of Customers

Sl. No.	Category	Frequency	Percent
1.	Charted accountant	13	2.7
2.	Medical Doctor	6	1.2
3.	Lawyer	7	1.4
4.	Engineer	12	2.5
5.	Other Professionals	54	11.1
6.	Working women employed in Private sector	103	21.2
7.	Working women employed in Government sector	3	0.6
8.	Housewife	51	10.5
9.	Homemaker working from home	6	1.2
10.	Male Government employee	6	1.2
11.	Male Private sector employee	135	27.8
12.	Others	89	18.4
13.	Total	485	100.0

Table -5. Frequency Distribution of Influencers of Decision During Online Shopping

Sl. No.	Who influences my decision during online shopping	Frequency	Percent
1	Nobody – I decide for Myself	310	63.9
2	My Spouse	68	14
3	My Children	37	7.6
4	My Friends & Colleagues	67	13.8
5	Others	3	0.6
6	Total	485	100

• Customers belonging to the age group 18 to 25 years and 26 to 35 years - higher in representation. Customers of above 46 years -less response to online shopping.

• Customers' monthly income - between Rs. 10001 and Rs.25000 – High Representation Rs.40001 and Rs.55000 – Low Representation

• Most equally all male and female customers shop online.

• Male and female private sector employees shop online - more frequently.

• Working women employees in government sector, Medical doctors, homemaker working from home, male government employees & Lawyers shop online-very rarely

• All the customers have access to internet connection.

• customers use – Mobile/Tablet for online shopping – High Representation

Desktop at work place for online shopping – Low Representation

• Customers decide on themselves while making decisions during online shopping. They are least dependent on others.

Table -6. The Factors Influencing Consumer behaviour Towards Online Shopping.

I Shop Online Because it Has	Mean	SD	Mean Rank	Kendall's W	P value
Ease of Shopping	4.00	0.838	3.74		
Range on Offer	3.85	0.859	3.46		
Anytime shopping	4.06	0.921	3.94		
Complete Product Information	3.69	0.958	3.11	0.962	0.000**
Ability to Compare Prices with other brands	3.97	0.931	3.72		
Products not available Offline	3.60	1.106	3.03		

Source: Statistically analyzed data

Note: ** Denotes significance at 1 % level

Table -7: Student T Test for Significant Difference Between Genders with Respect to Reason for Shopping Online

Sl. No.	Reason for Shopping Online	Gender				t Value	P Value
		Male		Female			
		Mean	SD	Mean	SD		
1	Ease of Shopping	3.95	0.896	4.04	0.773	1.191	0.234
2	Range on Offer	3.91	0.895	3.77	0.816	1.822	0.069
3	Anytime shopping	4.01	1.014	4.11	0.812	1.111	0.267
4	Complete Product Information	3.93	0.932	3.44	0.920	5.874	0.000**
5	Ability to Compare Prices with other brands	4.09	0.935	3.84	0.912	2.963	0.003**
6	Products not available Offline	3.63	1.043	3.58	1.169	.557	0.578

Source: Statistically analyzed data

Note: **Denotes significance at 1% level

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Table -8: Inter Correlation Matrix on the Dimensions of Reason for Shopping Online

Reason for Shopping Online	Ease of Shopping	Range on Offer	Anytime shopping	Complete Product Information	Ability to Compare Prices with other brands	Products not available Offline
Ease of Shopping	1	0.633**	0.774**	0.690	0.939**	0.997**
Range on Offer	-	1	0.353**	0.586**	0.705	0.768**
Anytime shopping	-	-	1	0.932**	0.821**	0.774
Complete Product Information	-	-	-	1	0.956**	0.604**
Ability to Compare Prices with other brands	-	-	-	-	1	0.792**
Products not available Offline	-	-	-	-	-	1

**. Correlation is significant at the 0.01 level (2-tailed).

To evaluate the impact of online shopping on purchase decision of consumers

Null Hypothesis: There is no significant difference between Mean Ranks towards I decide to shop online based on

Table -9: Friedman Test for Significant Difference Between Mean Ranks Towards I Decide to Shop Online Based On

Sl. No.	I decide to Shop Online based on	Mean	SD	Mean Rank	Chi-Square Value	P Value
1	Speed of Delivery	2.04	1	2.23		
2	Availability of range of Sellers for the product online	2.45	0.893	2.64	54.637	0.000**
3	Differentiation of service when compared to offline shopping	2.46	0.891	2.64		
4	Availability against my requirement	2.31	0.951	2.5		

Source: Statistically analyzed data

Note: ** Denotes significance at 1 % level

Table 10 Mean and SD of Price Benefits when I Shop Online

Sl. No.	Price benefits when I Shop Online	Mean	SD
1	Reward Points for Shopping Online	2.09	0.878
2	EMI Offers	2.10	0.856
3	Discounts with respect to Offline purchases	2.56	0.732
4	Cash back offers	2.40	0.806
5	Festival Offers	2.43	0.814

Source: Statistically Calculated Data

VII. SUGGESTION

• **Range:** Customers may shop for all products for everyone as there is variety of available products online. Detailed product information may be made available through methods such as video / audio and product catalogues by which the customer will tend to purchase a product / service online. The online marketers may take up an effective communication and influence customers buying behaviour.

• **Referral Schemes:** Customers may seek the advice from others while deciding to purchase online as they may get many ideas and reviews about the product. Opportunity for the E-retailers to run reference schemes to existing customers.

• **Reward Points:** Reward Points for Shopping Online is not considered by the customers as they are of no benefit. The e-retailers may attempt to offer some discounts or price-cuts in lieu of the reward points secured by the customers while online shopping.

• **Understanding Demand:** Men and Women shop for different items depending on the age and other demographics. Understanding of the demand is crucial for the company to accommodate such products and services in its portfolio depending on the market it is targeting.

• **EMI Offers:** Many customers consider EMI Offers for purchasing products online. EMI Offers is the best way of attracting the customers as there easy payment of money. EMI offer coupled with Zero interest would be a better way to increase the customer base.

• **Customer Reach to be Increased** the e-retailers may create awareness among such customers so that they understand the advantages and payback of online shopping. This can be done successfully through specifically targeted email promotions, web marketing and search engine marketing.

• Customers belonging to Other Professionals, Others and Working women employed in Government sector have less shopped online till date which may be increased by the e-retailers by influencing them by various promotional schemes. Online marketers may encourage their customers to provide beneficial feedback in their websites to create goodwill.

• **Premarket Survey:** Online marketers may conduct a pre-market survey to identity the needs and expectations of the customers while buying online. The e-retailers may attract the youngsters to buy the above mentioned products by offering their necessities. This may increase the mutual benefits of the companies as well as the customers.

• **Core differentiation to be Created:** Companies may develop their websites so that the relationship between Ease of Shopping and Range on Offer, Complete Product Information increases. The customer's expectation on Anytime shopping and Complete Product Information may be developed by the e-retailers. The relation between Complete Product Information and Products not available Offline has to be highlighted by the websites so that the customers may have a clear and exact detail of every product.

• **Advertisements:** Online marketing may have to decide on acquiring new customers through advertisement, offers and discounts and enhance customer loyalty. Sales promotion plays an important role to motivate customers towards buying any product. Online marketers may pay proper attention on promotional activities so that it increases the sales and revenue.

VIII. CONCLUSION

Online marketing is growing quickly all over the world. Online shopping has evolved considerably over the last decade and it will continue to revolutionize for the best over the next decade. The customers are benefited with amenities like convenience, anytime shopping, less procedure, quick delivery, discount offers, low cost etc. It is important for online marketers to secure a unique place in the e-market on the basis of values, ethics, relationships and experience. There are vast opportunities for online marketers to further invest, improve and increase the volume and performance of online shopping. The study helps the companies to analyze various factors that has influence on the buying decision of the customers and further it will help them frame suitable strategies to enable the customer's enhanced involvement in online purchases.

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