The Effect of Online shopping on Consumer Buying Behaviour

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ABSTRACT

Online shopping is becoming more popular day by day with the increase in the usage of World Wide Web known as www. Understanding customer's need for online selling has become challenge for marketers. Specially understanding the consumer's attitudes towards online shopping , making improvement in the factors that influence consumers to shop online and working on factors that affect consumers to shop online will help marketers to gain the competitive edge over others.

Key Word : Object' Factors Affecting online shopping.

Backdrop

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. Engel, Blackwell, and Mansard define consumer behaviour as "…the actions and decision processes of people who purchase goods and services for personal consumption."

Today, people are living in the digital environment. Earlier, internet was used as the source for information sharing, but now life is somewhat impossible without it. Everything is linked with the World Wide Web, whether it is business, social interaction or shopping. Moreover, the changed lifestyle of individuals has changed their way of doing things from traditional to the digital way in which shopping is also being shifted to online shopping.In the twenty-first century, trade and commerce have been so diversified that multichannel has taken place and online shopping has increased significantly throughout the world (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001). Globally, e-commerce constituted about 2.29 trillion dollar market (John, 2018) and expected to reach 4 trillion dollar by 2020 (eMarketer, 2016) due to the double-digit worldwide

growth in sales (15%) and order (13%) (eMarketer, 2018) in all sorts of e-commerce such as business-to-business (B2B), business-to-consumer (B2C) (Zuroni & Goh, 2012).

Online shopping is the process of purchasing goods directly from a seller without any intermediary, or it can be referred to as the activity of buying and selling goods over the internet. Online shopping deals provide the customer with a variety of products and services, wherein customers can compare them with deals of other intermediaries also and choose one of the best deals for them.Online shopping behavior is the process by which consumers search for, select, purchase, use, and dispose of goods and services, over the internet. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office.

Literature Review

Rook and Fisher, defined impulsive buying behavior as the description of the thoughts and emotions experienced by consumers in the case of impulsive buying. This is a kind of purchase behavior that is not controlled by emotion. Many scholars have studied and defined impulsive purchase behavior.

Piron, defined impulsive buying according to three aspects, namely, an unplanned purchase, emotional stimulation, and the timeliness of the behavior, which is seen as the purchase behavior of making decisions immediately; the author also divided impulsive buying behavior into experiential impulsive buying and nonexperiential impulsive buying. However, later studies further pointed out that impulsive purchases were accompanied by emotional reactions.

Wood, believed that impulsive purchase was an unplanned purchase without careful consideration and accompanied by high emotional conflicts.

Parboteeah, showed that external environmental stimulation may significantly affect consumers' perception of product usefulness and hedonism, thus affecting their impulsive purchase intention. It can be seen that the stronger the consumers' knowledge of the usefulness, the more positive mood in buying intention, thus further promoting impulsive buying.

Gunawarden defined social presence as the perception formed by participants during their online participation, which emphasizes satisfaction or the real perception of others in video conferencing interactions. Research studies show that social presence is a strong predictor of satisfaction and that participants with strong social presence use emoticons to express nonverbal cues to enhance their social emotional experience.

According to another study, the main influencing factors for online shopping are availability, low prices, promotions, comparisons, customer service, user friendly, time and variety to choose from (Jadhav and Khanna, 2016). Moreover, website design and features also encourage shoppers to shop on a particular website that excite them to make the purchase.

Object of Study

(1) To study the behaviour of consumer in online shopping.

(2) To evaluate the influencing factors that affect the onlineshopping behaviour.

Factors Affecting Consumer Behavior

Consumer Behaviour is influenced by many different factors. The five major factors that influence consumer behaviour are as follows –

Psychological Factors

Human psychology plays a major role in understanding consumer behaviour. Difficult to measure, but psychological factors are powerful enough to influence a buying decision. Some of the important psychological factors are as follows –

Learning

When a person buys a product, the general tendency is to learn something more about the product. Learning also comes over a period through experience. This learning depends on skills and knowledge. While skill can be gained through practice, knowledge can be acquired only through experience.

Attitudes and Beliefs

Consumers' attitudes and beliefs also influence the buying decision. Based on this attitude, the consumer behaves in a particular way towards a product. This attitude plays a significant role in defining the brand image of a product. Hence, marketers try hard to understand the attitude of a consumer to design their marketing campaigns.

Motivation

Motivation to do something often influences the buying behaviour of the person. Individuals have different needs such as social needs, basic needs, security needs, esteem needs, and self-actualization needs. Out of all these, the basic needs and security needs take a position above all other needs, and these motivate a consumer to buy products and services.

Perception

Our perception is shaped when we gather information regarding a product and examine it to generate a relevant image regarding a certain product. Whenever we see an advertisement, review, feedback, or promotion regarding a product, we form an image of that item. As a result, our perception plays an integral role in shaping our purchasing decisions.

Economic Factors

Consumer buying habits greatly depend on the economic situation of a country or a market. When a nation's economy is strong, it leads to a greater money supply in the market and higher purchasing power for consumers. Whereas a weak economy reflects a struggling market that is impacted by unemployment and lower purchasing power. Some of the important economic factors are as follows –

Consumer Credit

When a consumer is offered easy credit to purchase goods, it promotes higher spending. Sellers are making it easy for the consumers to avail credit in the form of credit cards, easy instalments, bank loans, hire purchase,

and many such other credit options. When there is higher credit available to consumers, the purchase of comfort and luxury items increases.

Liquid Assets

Consumers who have liquid assets tend to spend more on comfort and luxuries. Liquid assets are those assets, which can be converted into cash very easily. Cash in hand, bank savings and securities are some examples of liquid assets. When a consumer has higher liquid assets, it gives him more confidence to buy luxury goods.

Savings

A consumer is highly influenced by the amount of savings he/she wishes to set aside from his income. If a consumer decided to save more, then his expenditure on buying reduces. Whereas if a consumer is interested in saving more, then most of his income will go towards buying products.

Family Income

Family income is the total income from all the members of a family. When more people are earning in the family, there is more income available for shopping basic needs and luxuries. Higher family income influences the people in the family to buy more.

Social Factors

Humans are social beings, and the society or the people they live around influence their buying behaviour. Human beings try to imitate other humans and nurture a desire to be socially accepted. Hence, their buying behaviour is influenced by other people around them. These factors are considered as social factors. Some of the social factors are as follows –

Family

Family plays a significant role in shaping the buying behaviour of a person. A person builds his/her preferences from his childhood by watching their family buy certain products and continues to buy the same products even when they grow up.

Reference Groups

A reference group is a group of people with whom a person associates himself. Generally, all the people in the reference group have common buying behaviour and influence each other.

Cultural Factors

A group of people is associated with a set of values and ideologies that belong to a particular community. People coming from particular communities have behaviours highly influenced by their culture. Cultural factors also include the concepts of subculture and social class.

Personal Factors

Factors that are personal to the consumers influence their buying behaviour. These personal factors vary from person to person, thereby producing different perceptions and consumer behaviour. Some of the personal factors include –

Occupation

Occupation of a consumer influences the buying behaviour. A person tends to buy things that are appropriate to this/her profession. For example, a senior corporate professional would tend to buy formal clothing whereas a creative designer would tend to spend on casual wear.

Lifestyle

Lifestyle is an attitude, and a way in which an individual stay in the society. The buying behaviour is highly influenced by the lifestyle of a consumer. Someone who leads a healthy lifestyle would spend more or healthy food alternatives.

Age

The buying choices of individuals depend on which age group they belong to. Elderly people will have totally different buying behaviours as compared teenagers.

Effect of Online Shopping on Consumer Buying Behavior

As online shopping provides consumers with the opportunity to buy things without having to travel to the physical shops, it might reduce consumers' instore shopping trips. However, consumers might visit the shops to check and/or inspect products before buying them online. retail companies should start taking measures to eliminate risk factor and build trust in this form of retail. The retail managers should sway consumers through ads, promotions, online only discounts etc. to let people cross the threshold and start buying because few consumers are still comfortable with brick and mortar format as they appreciate friendly approach of salesman and social element of shopping, which has been found as impor- tant customary element in shopping. In addition, they need to make their website user friendly and less intriguing. It should encourage online consumers to spend time exploring.

The influences on consumer behavior are often made between external and internal factors. External factors are come from the environmental conditions, and internal factors are usually from the consumer's mind. There are many factors could influence consumer's behaviors. According to Warner, the external influences could divide into five sectors: Demographics, socio-economics, technology and public policy; culture; sub-culture; reference groups; and marketing. The internal influences are variety of psychological processes, which include attitudes, learning, perception, motivation, self image, and semiotics (Malcolm).

Online shopping/E-commerce : There are lots of definitions of e-commerce, and they all are not very far from each other. —Electronic commerce is the sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks.‖ (Mostaghel, 2006) Same as that, according to Tian and Stewart (2007) electronic commerce represents not only the business of goods and services, but also keeping buyers, creating relationships with customers and other companies and making businesses with them. E-commerce dates for over 40 years, and has two main types: business-to-business (B2B) and business-to-consumer (B2C).

E-satisfaction : Lin (2003) states that for companies which deal with online services, in order to be confirmed and accepted by the customers, they need to provide the greatest delivered value so customers may see it as advantage and stay loyal to them. Companies can measure this value by looking at

customer satisfaction, and factors that affect this satisfaction are: customer need, value and cost. Mostaghel (2006) argues that Heskett et al.

Some Factors Influencing Online Shopping -

Store Boredom

Another reason that consumers are opting to buy online instead of going in-store is because they've grown accustomed to exciting and interesting experiences. The boom in high street retail before the recession brought with it a lot of the same layout and feel to stores. Today's consumer have a strong need for invigorating experiences that a lot of stores don't live up to. Retailers that can create a positive buying experience will reap the results of more traffic coming to their stores.

New Online Retailers

With the rise of online retailers came a new era of online stores. Online retailers like ASOS, Ocado, and Net a Porter grew in huge popularity prompting even more online stores to pop up, and prompting high street stores to provide their offering online.

Younger Consumers

The younger generations, Millennials and Generation Z, were brought up in the digital age. Generation Z in particular can't remember a time before the internet and technology. They don't know any different than shopping and browsing online. They're both multiscreen generations that like to do online research before making a purchase, so even if they're buying in-store they've probably done some sort of browsing online first.

Smartphones

The first iPhone landed on our doorsteps in 2007, and ever since then the internet has been far more accessible. Smartphones give consumers quick and easy access to technology no matter where they are. Mobile commerce sales rose from £25.5 billion in 2017 to £29 billion in 2018 so there's no sign of it slowing down.

Credit Cards

UK consumers have always been enthusiastic users of debit and credit cards. This movement has even been moved onto smartphones in the form of contactless payment. Low interest rates and high credit card usership has moved consumers towards online retailers. Very few consumers constantly carry cash anymore so physical stores that don't except card will be left behind.

Trust and online risk : Trust, as stated by Gommans et al. (2001) is another important thing is consumers online buying behavior, and in their e-loyalty. Trust is connected with security. Consumer cannot see product in person while he is ordering it, and cannot look into salesperson's eyes while doing that, so it is important for companies to build trust among their consumers in order to avoid uncertainties. Loyalty and brand trust in general can assist in overcoming and beating some Internet disadvantages. He also identified that consumer's fear of online fraud (credit card fraud, non-delivery of product) are the one of the major causes why they are not using e-commerce, frequently. Anderson and Srinivasan (2003) predict

that perceived positively related to consumers' intentions to buy over Internet, and it contributes to e-loyalty by minimizing consumers need or wants to go after some alternative providers.

E-loyalty Litfi and Gharbi (2012) argue that loyalty represents strong relation between brand and customer. That strong relation is manifested through emotional link that join consumers continuity of purchasing and consumption. Gommans et al. (2001) said that e-loyalty can be expressed as —store loyalty‖ which means that consumers are continually visiting stores and buying items from same brand. He also defines customer loyalty as a point at which consumer demonstrating and repeat buying behavior which have positive nature related to product supplier, and they are repeating this action constantly. —E loyalty is all about quality customer support, on-time delivery, compelling product presentations, convenient and reasonably priced shipping and handling, and clear and trustworthy privacy policies.‖(Gommans et al., 2001)

Online service : As stated by Cheung and Lee (2005) in their study, instrument that is used for measuring consumers' expectations and awareness of services is called SERVQUAL, which contain five dimensions: tangibles, reliability, responsiveness, assurance and empathy. Tangibles and reliability relates   with information and services quality offered to customer. Responsiveness relates to responses from stores, when costumers have problems or questions regarding to product. Assurance relates to enabling trust and confidence to customers, and shows that every operation within company is done by people who are specialists in that field, and empathy relates to making care, and giving particular individual attention to customers.

Conclusion

As online stores offer consumers a range of products and services, consumers can compare product prices from different websites and find the products at lower prices than the prices in the stores some websites, such as Ebay, offer consumers an auction or the best deal.

The presence of the Internet transforms the environment that consumers buy via social media platform. Rising fame of social media platforms such as Facebook, Twitter, Instagram, WhatsApp, and YouTube enable consumers to communicate with convenience. Social media changes the consumers behave and their decision making. It has been identified that social media influences the interaction between consumers and sellers that determines consumers' behavior, awareness and attitudes.

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