

Examining Variables Affecting Consumer Behavior in the Context of Online Retail

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Abstract: *Online purchasing is a type of electronic commerce in which consumers utilize a web browser to purchase products or services directly from a vendor over the Internet. Online purchasing serves as a prime illustration of the business revolution. E-commerce has simplified and facilitated the innovation of individuals and organizations. Consumer behavior during online purchasing differs significantly from that observed in physical markets, where they are able to examine the products in person. As a result, traditional or brick-and-mortar stores are rapidly being supplanted by online shopping platforms. The level of trust that consumers have in e-commerce websites has significantly grown over time. On one hand, the proliferation of these websites has resulted in intense competition, which in turn provides consumers with superior and more affordable products. Despite this, consumers do have legitimate privacy concerns regarding online purchasing. The Internet has significantly transformed the manner in which consumers procure products and services and has grown exponentially into a worldwide phenomenon. Promotions, reductions for cash on delivery, and technology-oriented elements such as quality assurance are the most significant specific factors that influence customers' attitudes toward online purchasing. This research paper endeavors to examine consumer behavior in relation to online buying, as well as the diverse factors that exert influence on the online shopping trend.*

Keywords: Consumer behavior, Social Influence, Pricing.

I. INTRODUCTION

The advent of online purchasing has introduced a novel concept and generated inexhaustible prospects for all. India has finished behind the United States and Japan in online purchasing. Online purchasing is the fastest-growing e-commerce sector, and the Internet has been the fastest-growing medium over the past decade. Numerous consumers have access to the internet from both their residences and places of employment, 24 hours a day. The Internet has significantly transformed the manner in which consumers procure products and services and has grown exponentially into a worldwide phenomenon. Numerous businesses have begun utilizing the internet in an effort to reduce marketing expenses and, consequently, the cost of their products and services in order to remain competitive in markets that are extremely competitive. Additionally, businesses utilize the internet to convey, communicate, and disseminate information in order to offer products, solicit consumer feedback, and conduct surveys. Customers utilize the internet for the purpose of not only making online purchases but also comparing prices, product features, and after-sale service amenities offered by different retailers. Furthermore, apart from the immense potential of the e-commerce sector, the internet offers distinct advantages for organizations seeking to enhance their communication with current and prospective clients.

Online Shopping and E- Commerce in India

Electronic commerce is a relatively new concept. Presently, there is significant reliance on the internet and mobile phone innovation to fundamentally transform the manner in which businesses interact with their clientele. Enhanced consumer demand for durables and electronics, apparel, and accessories, in addition to traditional products like audiovisuals and books, is anticipated to drive the expansion. Internet development and expansion have been the most significant events of the century. Electronic commerce (e-commerce) in India has experienced significant progress

since its infancy in 1999-2000, evolving into a thriving marketplace where a wide variety of products can be bought and sold. In order to expand their consumer base and make their product and service offerings accessible to a global market, the majority of businesses are utilizing the internet to showcase their offerings. The internet and computers have fundamentally altered the manner in which individuals conduct routine transactions, including online purchasing. The internet has significantly altered the purchasing patterns of individuals. Logging on from the convenience of one's residence, workplace, cyber café, or any location worldwide enables one to make purchases of an extensive range of products. This includes digital cameras, mobile phones, video games, movie tickets, as well as rail and air tickets. Security, convenience, simplicity, and ease of use are the primary factors that attract customers to make online purchases. Increasing mobile and internet penetration, rising acceptance of online payments, and favorable demographics have created a unique opportunity for the e-commerce industry to engage with customers. Compared to prior years, e-commerce would generate revenues that are greater than five to seven times greater, with all branded products being offered at reduced prices and delivered directly to the customer's doorstep.

The online retail sector in India has experienced consistent and substantial expansion throughout the years. The Indian online retail industry is anticipated to reach \$14.5 billion in 2018, a fourfold increase due to the country's accelerated e-commerce expansion. The number of online purchasers worldwide experienced a notable increase from 1.12 billion in 2014 to 1.32 billion in 2016, as reported by Statista.com. India had 408.4 million internet users as of 2015. By 2021, this figure is anticipated to increase to 635.8 million. Notwithstanding its latent potential, India is presently the second largest online market on a global scale. India is currently experiencing rapid growth as a global e-commerce market, owing to the fact that millions of new internet users are utilizing affordable mobile connections to do everything from shopping to sending mobile messages and videos to accessing mobile services. Local internet usage had increased to 26% of the population by 2016, nearly ten times the amount observed a decade earlier. Recent market research projects that by 2021, 37.36 percent of the population in India will have access to the internet via a mobile phone, representing a tremendous opportunity for digital and mobile buyers. By 2021, the aggregate number of internet users in India is anticipated to exceed 635 million. Men comprised approximately two-thirds of online shoppers in India. Notwithstanding the gender disparity in digital spending and online presence, it is projected that female online consumers will contribute to 42% of the total e-commerce expenditure in India in 2020, compared to a mere 20% of the total retail e-commerce expenditure in 2015 [1].

Consumer Behavior towards Online Shopping

India ranks as the world's second greatest consumer market. Changes have been made to the education, income, age, gender, occupation, and reference categories of the Indian consumer profile. As technology proliferates, consumer brand preferences are shifting from those of everyday necessities to those of high-end technologies.

The propensity and inclination of consumers to utilize the internet as their primary purchasing platform exhibit a positive correlation with variables such as household size, income, and innovativeness. Increasing numbers of consumers around the globe are transitioning from congested stores to online purchasing with a single click. Nevertheless, despite the convenience that online purchasing provides, it is not the most favored method of shopping in India. A survey of 150 internet users, including both users and non-users of online purchasing, revealed that Indian consumers are dissuaded from shopping online by security and privacy concerns, whereas time savings and convenience are their primary motivations. The favorable disposition and eagerness of consumers to conduct pre-purchase research contribute significantly to the probability that they will undertake online purchases. It is mandatory for individuals to possess computer literacy in order to engage in online purchasing. Individuals who lack proficiency with computers are more likely to choose to purchase at a physical market rather than an online store, due to the relative speed of the former. An additional traditional advertising channel is the home catalog, which provides a diverse selection of products that enable customers to shop from the comfort of their own residences. They may place their orders via email or telephone. With the exception that they cannot hold or feel products prior to purchase, it is convenient [2].

Consumer behaviour encompasses all human actions that are involved in the decision-making process. A comprehension of consumer behavior empowers a marketer to formulate marketing strategies that align with the desires and requirements of the target audience. Consumer behavior determinants and expectations can be broadly classified

into four main categories: cultural, socioeconomic, personal, and psychological. In addition to family size and age, the socioeconomic determinants of consumer behavior include marital status, occupation, education, and income. Given the current economic climate and the recognition of the significance of the passenger car industry, scholarly investigations have examined consumer perceptions and behaviors concerning the product. As the adage goes, what were considered luxuries yesterday have become necessities today. With the advent of the digital age, automobiles are no longer considered a luxury. Specific qualities of the product have been identified as having an impact on consumer satisfaction and purchasing decisions [3]. The influence of brand on consumer behavior is comparatively more pronounced among the female demographic than the male demographic. The distinction can be attributed to brand recognition, customer loyalty, and symbolic significance. In the female group, the purchasing experience and product selection are more pronounced than in the male group. It has also been discovered that the influence of brand on consumer behavior is greater for families with lower monthly incomes [4]. A noteworthy correlation has been observed between gender and consumers' brand preference for durable consumer goods during each purchase [5]. However, no significant association has been found between gender and the location of product purchase.

Online purchasing is becoming increasingly popular, particularly among the younger demographic. However, in the current environment, for e-marketing to achieve the same level of popularity across all age groups, it will need to expand its reach. The mode of payment is contingent upon the consumers' income. Individuals across various age cohorts engage in online purchasing on a routine basis. Over time, consumers' attitudes are undergoing a transformation. Consumers in India are increasingly at ease with online purchasing due to various factors such as home delivery, cash on delivery, and website customization or personalization [6].

According to a case study of Flipkart.com users in the city of Lucknow, the future of e-retailers in India appears promising. Online retailers provide consumers with the most cost-effective and time-efficient method to make purchases within their budgetary constraints. Flipkart.com provides an entirely hassle-free purchasing experience and some of the most competitive prices available. Consumer purchasing and behavior have been fundamentally transformed by the advent of online shopping; therefore, the success of e-retailers in India is contingent on their reputation, distinctive policies, and level of popularity [7]. Individuals with higher incomes and greater levels of education are increasingly making purchases through e-retail websites. However, there are still concerns regarding the security of online shopping. In addition, individuals are resistant to change due to the technological complexity of online shopping. Organizations engaged in e-commerce ought to prioritize the establishment of reliable connections between vendors and consumers [8].

Mobile Phones and Online Shopping

Today, the mobile phone industry in India has gained significant popularity. The fixation of individuals on smart phones has been exponentially growing. The proliferation of mobile devices, particularly smartphones, and the concurrent increase in mobile internet usage have facilitated the process of conducting online purchasing. Televisions are now as commonplace as mobile phones. Global mobile device penetration has increased astronomically as a result of the expansion of digital connectivity and mobility. The global market for mobile devices has expanded at an exponential rate. Globally, mobile phone services are acknowledged as a crucial instrument for the socioeconomic progress of a country. At present, India stands as the second largest telecommunications market globally, having experienced remarkable expansion over the last few years. The expansion of the telecommunications industry in India can be attributed to several factors, including governmental reform initiatives, private sector engagement, and advancements in wireless technology. Due to the fierce competition, operators must establish close collaborations with mobile handset manufacturers and software developers in order to align their handset portfolios with the preferences and requirements of consumers. India is among the most rapidly expanding e-commerce markets globally, attributable to the fact that millions of new internet consumers are utilizing inexpensive mobile connections. Recent market research indicates that mobile phone internet penetration in India could increase from 26% in 2016 to 37.36% in 2021, representing a tremendous opportunity for digital and mobile buyers.

As a novel business instrument and intermediary between companies and their clients, the Internet has emerged. Presently, the internet is a self-sustaining, cooperative, and public resource that is obtainable to hundreds of millions of

people across the globe. Internet usage is currently recognized as a significant and effective communication channel that is challenging traditional methods [9].

India has emerged as one of the global economies experiencing the most rapid expansion. The Indian economy is projected to attain the fourth rank by 2050. The mobile phone industry is a substantial domain in which to examine the technological revolution. Consumer behavior exerts a substantial influence on the strategic decisions that mobile sector companies formulate. Mobile companies now face a formidable challenge in technology-driven industries: comprehending the purchasing habits and sentiments of consumers. Given India's status as a developing market and its rich cultural and traditional diversity, it is imperative for mobile companies to possess a comprehensive comprehension of consumer purchasing behavior and mobile phone purchasing patterns among Indian citizens. In light of globalization and subsequent transformations within the nation, numerous mobile companies have begun to enter the Indian mobile market, recognizing its enormous growth potential. The mobile sector has experienced significant expansion, which has led to mobile market penetration surpassing that of all other forms of communication [10].

Factors Influencing Consumer Behavior Towards Online Shopping

The provision of round-the-clock ease and convenience by online retailers has simplified the browsing experience for customers. A variety of factors influence consumers, including the fact that online purchasing enables them to purchase anything, anywhere, and at any time, with a secure and convenient payment option. By conducting price and product comparisons across online retailers, consumers can save both time and money. The accessibility of online information regarding products and services, the ability to compare purchases with other items, the promptness of delivery by the agency, the quality and substance of the online shopping platform, and the security protocols implemented by the agency to safeguard customers' identities and facilitate seamless transactions are additional significant determinants that influence consumer attitudes towards online shopping [11].

Consumer behavior comprises both mental and physical exertion and the process of decision making through which an individual acquires, utilizes, or discards products and services. Consumer behavior is the academic study of the actions and decisions that consumers make when searching for, purchasing, utilizing, evaluating, and discarding products and services that they anticipate will fulfill their needs [12]. Consumers are the ultimate purchasers of a company's products and services; therefore, the company consistently exerts considerable effort to attract them in order to increase revenue and profitability. Consumer behavior is an interdisciplinary field that draws upon theories and concepts concerning individuals, which have been formulated by behavioral scientists, philosophers, and researchers from sociology, economics, psychology, social psychology, and cultural anthropology, among others. The examination of consumer behavior additionally aids management in comprehending consumer requirements, identifying consumer potential in the face of emerging technologies, and formulating novel concepts in terms of consumer needs to ensure widespread market acceptance. Two primary determinants impact consumer purchasing behavior: individual and environmental factors. Individual factors that significantly influence consumer behavior include lifestyle choices, consumer knowledge, perception, learning, motivation, personality traits, and beliefs and attitudes. Environmental factors constitute the second category. Environmental factors are those elements external to the individual that influence the purchasing decisions of specific consumers. Culture, social class, reference group, family, and domestic are some of these elements. The aforementioned factors are the primary determinants that influence consumers' selection of a particular product or service [13]. Consumers hailing from diverse geographical locations, social and cultural contexts, and age groups exhibit distinct purchasing behaviors when it comes to various products. The ultimate purchasing decision of a consumer is influenced by a variety of factors, including cultural, social, personal, and psychological considerations.

Cultural Factors

Cultural elements, such as social class and regional culture, exert a profound impact on consumer behavior. Culture is an intrinsic component of every society, and its impact on consumer purchasing behavior differs across different regions. Diverse elements comprise each culture, including but not limited to religions, nationalities, geographic regions, and ethnic groupings. These categories can be utilized by marketers to divide the market into numerous minor portions. Culture can be conceptualized as a way of life that is subsequently transmitted across generations. Culture

fluctuates. It is in a constant state of evolution, synthesizing ancient and new concepts. Diverse social divisions are typically characterized by distinct consumption patterns and aspirations. Disparities arise due to variations in the purchasing power of different groups. Additionally, purchasing and behavioral patterns may serve as indicators of social class identification and membership, according to some researchers. Thus, marketing initiatives could be customized to correspond with various social strata.

Social Factors

Consumer purchasing behavior is influenced by social factors. Social factors that hold significance include reference groups, family, role, and status. Reference groups have the capacity to influence the attitude or conduct of an individual. The influence of reference groups differs depending on the brand and product. A reference group, whether real or fictitious, is a person or group that is considered to be of considerable importance in relation to the evaluation, aspiration, or conduct of an individual. Two ways in which reference group impacts consumers are through the expression of value and informational utility [14]. The purchasing decisions of consumers are significantly impacted by the composition of a family unit. As a result, marketers are attempting to identify the functions and sway of the spouse, children, and parent. When a wife influences a consumer's decision to purchase a specific product, marketers will attempt to target women with their advertisements. An individual's social standing and role are contingent on the groups, clubs, family, or organization to which he is affiliated. For instance, a woman is employed as the finance manager of a company. She concurrently assumes the responsibilities of a mother and a finance manager.

Personal Factors

Additionally, individual factors can influence consumer behavior. Significant personal determinants that impact purchasing behavior include lifestyle choices, financial circumstances, occupation, age, family life cycle, personality traits, and self-perception. Age and life-cycle may influence the purchasing decisions of consumers. The evolution of consumer tastes and preferences regarding products and services is an undeniable phenomenon. The various stages of the family life-cycle—young individuals, married couples, and unmarried couples—assist manufacturers in creating products that are suitable for each stage. Additionally, a consumer's purchasing behavior is tremendously influenced by their profession. As an illustration, a marketing manager within an organization will prioritize the acquisition of business uniforms, while a low-level employee will exclusively purchase more affordable clothing options. The consumer's purchasing behavior is significantly impacted by his economic circumstance. Customers with higher incomes will have access to a greater variety of more expensive products, whereas those with lower incomes will purchase cheaper alternatives. The way of life of consumers is an additional significant determinant that influences their purchasing behavior. A person's way of life in a society and the items they acquire are referred to as their lifestyle. Personality varies across individuals, temporal contexts, and geographic locations. It significantly impacts the purchasing decisions of consumers. Personality comprises all of the attributes that define an individual.

Psychological Factors

Four significant psychological factors influence the purchasing behavior of consumers. Attitudes, beliefs, motivation, and perception are some examples. Consumer purchasing behaviour is influenced by their level of motivation. An individual possesses a variety of requirements, including physiological, biological, and social necessities. Perception is the process of selecting, organizing, and interpreting information to generate a meaningful experience of the world. Selective attention, selective distortion, and selective retention are the three distinct perceptual processes. Customers hold distinct beliefs and hold particular attitudes toward a variety of products. Due to the fact that these beliefs and attitudes comprise brand image and influence consumer purchasing behavior, marketers are intrigued by them. The totality of these elements constitutes a comprehensive model of consumer behavior that accurately represents the way in which consumers make decisions. Consumer preferences and conduct are influenced by the principal determinants and the decision-making process [15].

II. CONCLUSION

In recent years, there has been an unparalleled proliferation of participants engaged in online commercial activities. This ever-increasing competition has necessitated the implementation of innovative media, marketing strategies, and thought processes in order to entice customers to visit the website and make purchases. The trajectory of online purchasing will be propelled by the nation's expanding Internet-savvy populace, which is projected to reach approximately 180 million broadband users by 2020 in addition to a burgeoning mobile Internet user demographic.

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