

## BUYING BEHAVIOUR OF CONSUMER IN E-COMMERCE INDUSTRY

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### **Abstract**

In today's world the most difficult task is to make assessment of the need or purchasing patterns of the consumer due to the changes occurring in the way of shopping by the consumer. The customer has various options to make the purchase. Up to the last decade of this century there was prominence of the face to face purchase. That is to say customer visits the shop and purchases the goods which he like most and after bargaining he purchases the goods. This was the most preferred method of the shopping earlier. With the easy access to the internet, and the availability of the internet on each mobile and laptop, customer find it easy to make purchasing online i.e. to make purchasing electronically. This has generated the most powerful industry of the today's world called E-Commerce Industry. The easiness of making shopping on internet is most attractive feature of the E-Commerce shopping. By the single clicking thousands of the options are available to customer which was not available to him in direct market shopping. In the offline shopping number of available options are so limited that customer sometimes remained unsatisfied. This is not the case in E-Commerce shopping. This has enhanced the market size of every kind of the product including FMCG. With the rapid development of the technology and increasing easy and fast availability of the internet the customer base at E-Commerce platform is increasing. However this has also lead to a highest level of cut throat competition in the market and now a trader or service provider has to compete at the national level. This makes his survival though and it will not going to be easy for him to make a monopoly. He has to be advanced in everything of his efforts including updation of the product range, advancement of the technology and quality as well. This research is undertaken to evaluate the impact of the E-Commerce Industry on the buying behavior of the consumer by evaluating various factors such as consumer preference, age factor of the consumer, age of the consumer and like nature. This study will be helpful future researches of like nature.

**Keywords :** Purchase, E-Commerce, Shopping, Technology, Satisfaction, Monopoly, Customer, Prominence.

### **Introduction**

To make analysis of the impact of the E-Commerce on the market and on the buying behaviour of the consumer, it is utmost important to analyse the consumer choice and the factors which impacts the consumer choice, and elements which he keep in mind while making shopping. In the context of India it becomes more important as still people in India prefer and believe in the off line shopping as it gives them the satisfaction of being reliable product. That is why it is becoming very important now for the manufacturer to understand what the factors are which is impacting the buying behaviour of the consumer especially in the E-Commerce sector. This is truly important in the context of E-commerce because even after having easy and customized approach to the buying in E-Commerce, Still E-Commerce market has competition with the Off line market, and there is still a lot of the scope left for the E-Commerce market to grab from the Offline market. Another reason is that since online shopping is not a new concept in India and it came to India just a decade ago. This makes very difficult to predict the consumer behavior and how he will react towards the offline market. The study of these factors helps to manufacturer as well as retails or whole sellers to understand what a consumer wants from the market and especially what they are looking in form of comparison from the offline market. With this background of the research, the researcher is trying to finding out the factors which are responsible and essential for influencing the decision of the consumer at the time making the purchase and risks involved in satisfying the consumer. This study will undoubtedly help to the E-Commerce industry to understand in better way the consumer

buying behaviour and will be helpful in increasing customer satisfaction and growth in the E-Commerce Industry.

### Review Of Litreature

**Richa, D. (2012)** their study revealed the fact that buyers are the lovers of the variety, but at the same times they also cautious for the time saving and value of money. Most of the consumers are agreed that price is the major criteria for their buying decision and they also uses their experience while making buying on E-Commerce platform specially. However E-Commerce buying is criticized due to its various disadvantages such as the consumer cannot touch or try the product at the time when he is purchasing the goods. However there are multiple payment options are available such as payment through cards or deferred payment or payment on delivery. However the consumer in most of the cases prefers payment on delivery.

**Jayendra Sinha and Jiyeon Kim (2012)** studied the E-commerce sector to make analysis of the rapidly growing E-Commerce sector. They evaluated the Web Platforms where the buyer and seller meet online to the display and sale of their products. The physical goods are shown on website instead of the counter or showcase. Since users of E-Commerce platform are young one, they are capable enough to make purchase decisions within the specified time and place. They find it cheaper and easy to buy instead of cash payment purchase.

**Adrita Goswami, Pallavi Baruah, Sarat Borah (2013)**, in the latest of study of them, made a review of the difficulties, facilities and easiness of the E-Commerce shopping. They also discussed about the Buying Behaviour of the Consumer in the E-Commerce. They observed that legal system as such do not have any impact on the buying behaviour of the consumer and had found that there is a gender based difference in the buying behaviour of the consumer on E-Commerce platform.

**Chandra, A.K. & Sinha, D. K (2013)** have given their opinion that privacy of the consumer is public after policy and always need an attention. With the expansion of the internet over the period of last 2 decade has created new threats about the privacy of the consumers. It is observed from the both historical and technical analysis point of view that privacy is becoming domestic as well as international regulatory matter which needs approaches in challenging the privacy issues. They also made some analysis of ethical theories which apply to privacy of the consumers and provides for the specific solutions or recommendations for corporate ethics.

**Upasan Kanchan (2015)**, made an study on the behaviour of the consumer in E-Commerce shopping in the Chennai city of the Tamilnadu state. They used a pre determined questionnaire to obtain the responses of the respondents regarding their experience on E-Commerce shopping. The result of the answers of the questionnaire revealed that they have a positive attitude regarding buying through Internet. However the buying pattern or behaviour is more or less depends upon buyers age, Gender, and their income. The level of education qualification or family is the factors which play role in buying decision but they are not the crucial factor to decide. Hence their role is not at all material.

**Gopal and Jindoliya (2016)** have focused that in the last few years there observed to be huge growth in the various E-Commerce players. The increasing competition has developed the need of the innovative ideas and plans, new marketing skills and undoubtedly a kind of “**Out of Box**” thinking. This impact the purchase decision of the consumers. In India there is a huge potential to grow the business in E-Commerce segment. The E-Commerce industry will be around \$95 Billion by the 2025. The users of internet in India are growing and will be around 205 million users only in broadband segment by 2025. This includes majority of the consumers as middle class which is the major consumer of the market.

### Objective Of Study

This is a very clear rule that a research must add some value to the existing literature available on any particular subject matter. If a research conducted without having this objective, the research does not fulfill any of the objectives. The efforts made become useless. This Research paper also provides some value addition to the available literature on the Buying Behaviour of Consumer in E-Commerce Industry. This Research work is undertaken with object to explore those factors which are crucial to understand the buying behaviour of the Consumer in overall market especially in the E-Commerce Market. This is essential for the success of the Business. The Research also recommends the policy and plans which are intended to help in adding more consumer base. Below are the some of the objectives of the research

- (a) Exploring the factors which could influence the buying Behaviour of E-Commerce Consumer,
- (b) Exploring the Preference of the consumer in relation to different Goods and Services,
- (c) Exploring the consumer preference depending upon the age of the consumer
- (d) To identify the problem faced in E-Commerce buying.

#### **HYPOTHESIS FOR STUDY**

**Null Hypothesis (H<sub>0</sub>)** : There is no significant difference in the buying behaviour of the E-Commerce and offline consumer.

**Null Hypothesis (H<sub>0</sub>)** : There is no significant difference in the buying decisions of the E-Commerce and offline consumer.

#### **Online Shopping**

Internet has made life very easy. It has also made life convenient. The retail business is also not an exception to this rule. The way of doing business has changed with the introduction of the E-Commerce, not completely but yet to a great extent. E-Commerce is a way where goods are sold or purchased online or using some internet based platform. The E-Commerce is increasing in India with a great pace and now contributing a larger portion of the total retail business as well as to the GDP. This is now becoming a very high generating income activity. The E-Commerce has made the market of the whole market into one single market and customer is able to access the market worldwide. The companies are also able to make their presence in India and selling their product throughout the world making the whole world a single market. When E-Commerce was introduced only those sellers were selling their product on this platform who was not having any establishment like shops. But now those who is having their shops or retail counters are also selling their product online. Even they are earning a handsome amount of the profit from the online sale instead of offline sales. Since the variety of products are available in the online market which gives a lot of choice to the consumer. This is the reason why the online market is overruling the physical market. Earlier customer supposes to go to the market which needs a lot of the time to spend and also the uncomfotbility. Sometimes it also happens that customer is not able to get desired products as market for the same is not available. Even the variants in the product are not available as it is in case of E-Commerce market, because seller cannot keep a lot of the variety in their store. Because of non availability of the goods in the market customer have a perception that product he desires actually do not exist. With the E-commerce he has to just think about the product and the product is available right here that too with a lot of options and alternate. With the primary search of any product online, the companies itself search or approach customer for their need or desired product. The major online players existing in India are Flipcart, Amazon, Snap deal, Paytm, Home shop 18, Future Bazar and first cry. Even the giant corporate houses like Tata (Tata Cliq), Reliance or Adani group are also entering into the E-Commerce Market. As per a survey report issued by Neilson Global Consumer Report, the growth of the online shopping market is not due to the large players only but also because of the small players who are operating their online retail store and having a rapid growth in number. They have their offline as well as Online presence with the variety of the products. Various other benefits which comes along with the E-Commerce buying includes such as free delivery of the product that too on time, easy availability of return facility of the product and replacement of the product, response to the queries and complaints of the consumer on timely basis and solving their grievances. This all makes the online shopping more attractive. With the use of the internet customer also have facility to compare the products with all its alternates available on the same platform from the various retailers. All quality and all price variants are available on the site which makes it easy for the customer to compare it and select the best one. With E-Commerce consumer is becoming the smart consumer and making their buying behaviour more smart and easy. As we said that there are various factors which are playing crucial role in making online shopping attractive and unique and better than offline shopping. This makes consumer buying behaviour inclined towards E-Commerce.

#### **Scope Of The Study**

The above study is undertaken with the object of the analysing the buying behaviour of the consumer towards online shopping. The internet has changed the scenario of the buying condition in the market. The number of consumer is also increasing on internet. People are now familiar and comfortable in using the internet with a lot of comfortability. This study is undertaken to evaluate and analyse the perception of the people for shopping in E-Commerce. Though it is difficult to assess the behaviour of

the consumer exactly in the E-Commerce and online shopping and as such not a large number of studies are undertaken till date on the chosen subject matter, hence this research work is very important to understand the buying behaviour of the consumer and what are the factors which are crucial for the same. We will analyse the intentions and wishes of the consumer along with their requirements and expectations. The security concern involved in E-Commerce shopping is also an important factor including quality and nature of the product, Availability of trusted supplier and online platform, and confidentiality is some of the general issues which are also covered by the research work.

### Research Methodology

#### Source of DATA

Using the literature available, other studies conducted, and consultation with the industry experts, a well structured questionnaire has been developed for the collection of primary data. The questionnaire gets filled from the consumer visiting to shopping malls and retails markets. Some of the consumer has been approached through internet and help of Google forms is taken. Secondary data is collected from the previous studies, published magazines and journal.

#### Sampling Technique

The convenient sampling method is found appropriate in this research work. The total data collected for the sample is divided into the small samples for the purpose of the analysing the data as comparison between online shopping and offline shopping so that buying behaviour can be analysed in better way. A sample of 500 respondents have been taken for the purpose of the analysis.

#### Sampling Design

The study is mainly carried out in the questionnaire form which is used primarily for the collection of the data. A close ended self controlled questionnaire is used for the study as it is always more efficient and standard way to make a comparative study in the open ended questionnaire.

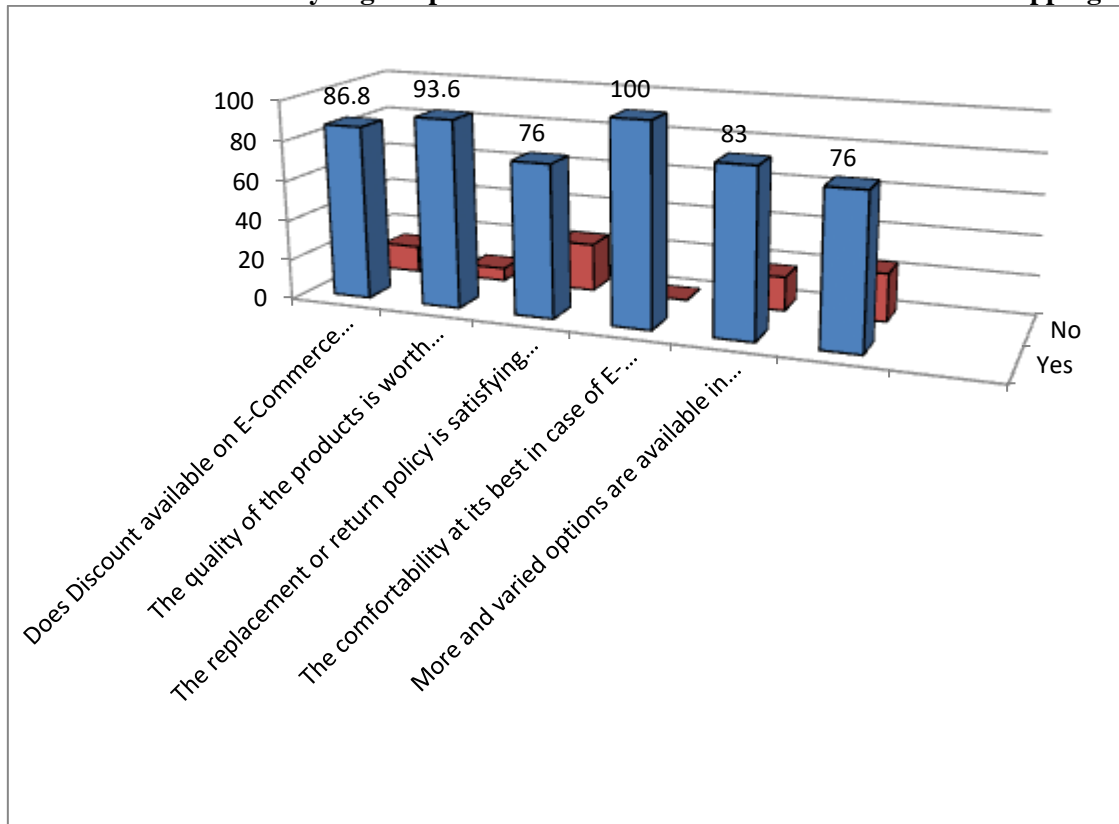
## RESULTS AND ANALYSIS

Table No. 1

Parameters for analysing the preference of the consumer in E-Commerce Shopping

S. No.	Question asked in Questionnaire	Yes		No		Total	
		F	%	F	%	F	%
1	Does Discount available on E-Commerce platforms attract you for online shopping?	434	86.80	66	13.40	500	100%
2	The quality of the products is worth satisfying to the consumer?	468	93.60	32	6.40	500	100%
3	The replacement or return policy is satisfying in case of E-Commerce?	380	76	120	24	500	100%
4	The comfortability at its best in case of E-Commerce shopping?	500	100	0	0	500	100%
5	More and varied options are available in case of the E-Commerce shopping?	415	83	85	17	500	100%
6	A comparative analysis with other products is available in case of online shopping	380	73	120	27	500	100%

**CHART 1**  
**Parameters for analysing the preference of the consumer in E-Commerce Shopping**



### Analysis Of The Response

As we can observe from the above table that most of the respondents are found highly satisfied with the E-Commerce shopping. They are getting comfort in almost all the aspects of the buying as compare to offline shopping. With respect to the confortability aspect the buyers are found totally satisfied. This will lead to change the buying behaviour of the consumer from the offline shopping to offline shopping. The majority of the customer also found satisfied with respect to quality of the product (93.60%) and availability of the discount (86.80%). Same as the options available for a product and return policy is also sufficiently satisfying to change the buying behaviour of the consumer from the offline shopping to online shopping. However comparative analysis is an area where E-Commerce websites need to improve their services so as to attract more consumers towards E-Commerce.

### Conclusion And Recommendations

The E-Commerce shopping experience gives an eco friendly and more interesting way of making the shopping. It gives an immense possibilities and options for making shopping in a very attractive manner. The discounts, rewards and other benefits make it more attractive. The cash back and rebates are also available. The value of the product which we look into the offline store is also required by the customer which is not the case in E-Commerce shopping. Also the shelf space is a problem in case of the offline shopping but not in case of E-Commerce shopping. The reviews of the other customers are also available which makes it easier to have a view about the product which makes decision to buy product easy. This also suggests that buying behaviour of the consumer is improving towards E-Commerce as against the offline shopping and changes are taking place in customer attitude towards the E-Commerce. However there are certain improvement required which if adopted may give an immense increase in the number of the customer towards E-Commerce. Some of the recommendations as suggested by the researcher for the same may include following

1. Data privacy policy shall be adopted in regard to the personal information of the customers such as their name, Address and bank details including their debit or credit card details.



2. Proper security mechanism shall be adopted for securing the payments made by the customer so that fraudsters do not rob the money of the customer from their bank account after shopping.
3. More efforts shall be made to make Online shopping easy so that less literate people or aged people also remain comfortable in shopping through E-Commerce platforms.
4. Better product images, videos and more classified reviews shall be included for the products so the purchase decision may become easy.
5. Better customer care and customer grievance facility shall be provided. It should be available 24 x 7 so that customer has option to clear his doubts at any time whenever he is making the shopping.

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