

CONSUMER BEHAVIOUR TOWARDS ONLINE SHOPPING IN TAMILNADU

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Abstract:

Consumer behaviour is the study of how individuals, groups, and organisations choose, purchase, utilise, and dispose of ideas, products, and services to meet their needs and desires. It refers to the behaviours of customers in the marketplace as well as the motivations behind such actions. Marketers hope to be able to identify which items are required in the marketplace, which are outdated, and how best to display the commodities to customers by knowing what motivates people to purchase certain goods and services. “It is the customer who decides what business is,” wrote Peter F. Drucker 1 (1988). What a customer believes he is purchasing, what he deems "value," is crucial - it defines what a company is, what it produces, and if it will succeed." Consumer behaviour is described by Schiffman and Kanuk 2 (1978) as "the behaviour that consumers exhibit in looking for, buying, consuming, and evaluating goods, services, and ideas that they believe will meet their requirements." “Consumer behaviour is the process and actions individuals participate in while looking for, choosing, buying, using, evaluating, and disposing of goods and services to fulfil their wants and desires,” according to Belch and Belch 3 (1985).”.

Introduction:

The process through which consumers and sellers exchange information, money, and goods via electronic methods, mainly on the internet, is known as electronic commerce or E-Commerce (Peter & Olson 2007). E-Commerce has ushered in a sea shift in the transition of conventional to electronic purchasing, necessitating a global need for information upkeep. This advent has been made possible at a wider range which involves computer networks which connect countries around the world and synchronize them into a global village, making purchases and sales of goods easier. The first path of E-Commerce was made available by the transmission of messages during the Berlin airlift 1948. The use of the World Wide Web (WWW) has become very common like a telephone or any other communication media. Earlier days, business started with the barter system exchanging of things which were replaced with a worth of the product in terms of money. The Street Vendors came in to the picture who sold the products at the door steps of the consumers for which they have to pay an additional value. E-Commerce provides an effective online activity and the customer makes the payment easily (Kumar & Singh 2014). All the physical transactions of trade were made electronically with different modes of payment which were newly termed as B2C E-Commerce.

The usage of internet in recent years has become the part and parcel in the life of every individual. It has changed the lifestyle and personality of the people. Internet connectivity is established using Internet Service Provider (ISP). ISPs are organizations that have a permanent presence on the internet and provide a fixed line or dial - up service (Sethi, 2009). The WWW was formed in the year 1991. The number of population using the internet in the world was 3,885,567,619 which had a growth 976.4 per cent from 2000 - 2017. Convenience, product choices and types, time saving have driven the individual to shop online. Factors like security, privacy and trust have become essential for successful E-Commerce (Kumar & Singh 2014). Online shopping refers to the process of buying products or services in the internet. The various facilities and options available in the internet have made the offline shoppers to become utmost satisfaction and happiness. Association of Chamber of Commerce and Industry in India reported that E-Commerce market was worth about \$3.8 billion in 2009 and went up to \$ 17 billion in 2014, and expected to touch \$ 38 billion in 2016 and generated 2.5 lakhs jobs in online retail.

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Framework of E- Commerce

The framework coined by Turban et al., (2006) draws a layout or blueprint to add value to the accomplishment of E-Commerce.

Figure: 1.1. Framework of E- Commerce



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The effective functioning of E-Commerce applications and five components People, Public policy, Marketing and advertisement, Support services and Business partnership serve as the pillars for success. This infrastructure refers to the types of software, hardware, types of networks used for electronic commerce. The kinds of infrastructure required are infrastructure for basic business functions, Infrastructure for messaging and information dissemination, multimedia content and network publishing, network infrastructure, and interface infrastructure These infrastructures, operations and decisions have to be taken by the management for the success in the E-business.

Concept of Online Shopping

Online shopping means the process of purchasing products and services through the internet. Online shopping is also termed as electronic shopping or internet shopping or digital purchase. The product or service is purchased by referring the website of the retailers searching the products among the number of retailers and making a purchase. The marketer in digital marketing has the ability to reach more people, reach farther, customise, and be more credible (Raju & Xardel, 2010). Internet connectivity through computers, laptops, cellphones, tablets, and a growing number of search engines, as well as payment systems, have made it much easier for people to switch from offline to online shopping.

Besides various advantages like time saving, convenience, any time purchases, price comparisons and other benefits, online shopping has grabbed the attention and attracted a wide range of audience.

Process of Online Shopping

The process of online shopping is very much simple and provides the buyers ample opportunity to make the purchase. It has reminded the traditional purchase by sitting with the technology just by the usage of internet. The following are the basic steps involved to make an online purchase from any website. On prior knowledge with the website the buyer can purchase directly or can avail the help of the search engines for this purpose.

The users can search the product in product categories and select their required product. The next step is to register with email id or mobile number with a password. They can select the

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items which are to be purchased and drop them to the shopping cart and carry on with shopping.

FRAMEWORK OF CONSUMER BEHAVIOUR

Consumer Buying Motives

Motive refers to what induces the buyer to make a purchase. There is a purpose or motive to purchase product that varies from individual to individual. Buying motive in online of the consumer is due to their strong urge, desire or emotion that makes the buyer to react to the product that he wants to purchase. A buying motive ultimately results in the product purchase gaining satisfaction to the consumer and product sale to the marketer. The buying motives can be classified in the following ways.

Internal and External Motives

Internal motives are innate in the minds of the consumers. They refer to the indispensable needs like hunger, pleasure, protectiveness, comfortability etc. The internal motives to purchase may be either rational or emotional. The external buying motives are observed and understood by the consumer from the external environment. It is influenced by the factors like occupation, education, culture, family, income and social status.

Rational and Emotional Motives

The individual considers his economic background and makes logical reasoning considering the economic aspects like cost, life span of the product, and dependability of the product. The product is purchased on the budget estimations through rational motives. Emotional motives refer to the inner personal feelings with comprising ego, love, pride, affection etc.

Product and Patronage Motives

The product motive may be either primary or secondary buying motive. The primary motive refers to the reasons why the consumer prefers one product to another. Certain products are bought for motives like convenience, life span, dependence and economic reasons which are secondary motives. Patronage buying motives are those considerations which make the

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consumer to buy in a particular shop rather than preferring other shops for making a purchase. It may be due to emotional or rational buying of the consumer.

Theories of Consumer Behaviour

The major theories of the consumer behaviour are obtained from the contributions of the social sciences. They are classified as economic, psychological, psycho - analytic and socio – cultural theories. All these theories were found in relation to the laws of consumption. The increase or decrease in the consumption is based on the income considering certain assumptions related to spending habits, political conditions and economy.

Economic Theories

The economic theories deal with the allotment of the income determining the demand of products and services. The traditional theory states that the consumer has knowledge about the price of the commodities and based on the utility he buys the product based on the income.

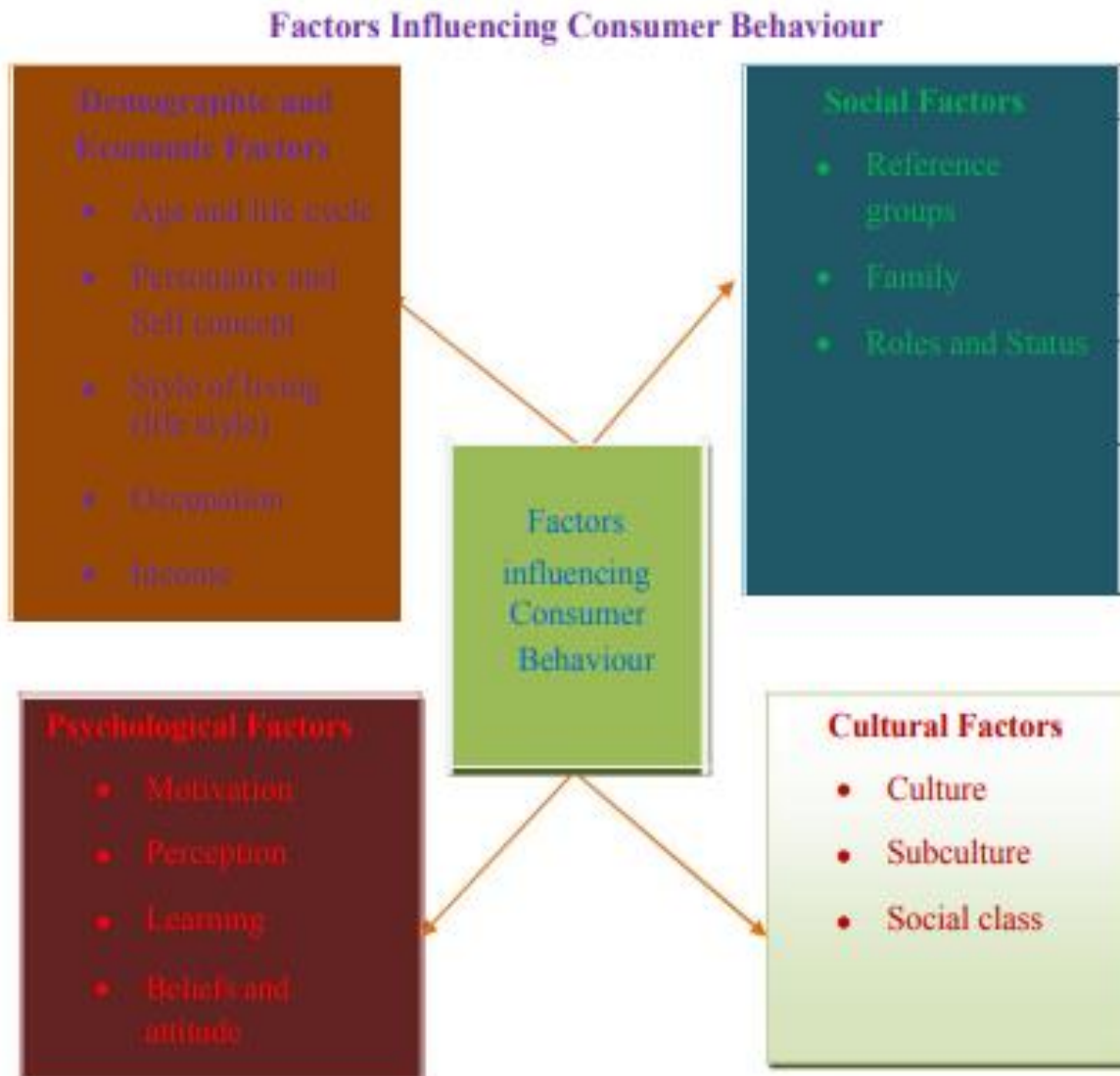
Marginal Utility Theory

The marginal utility theory was coined by classical economists. The marginal utility views whether the consumers purchase or continue to shop the products that provide maximum usage or satisfaction at relative prices. Man makes economic calculations and rational decisions for purchase. However, this theory is not accepted as it does not explain how the brand or product performance is created.

Income and Savings Theory

The theory of income and savings utility states that the real determinant of buying is purchasing power of individual. Purchasing power is based on the disposable income, which is the income after the payment of tax and the savings. The product marketers focus on the changing effects of income over spending and savings as they affect the consumer buying behaviour. Hence, personal consumption spending increases or decreases at a slower rate than disposable income.

Figure 2.1



CONCLUSION

The online shopping methods have made the process of shopping easier and convenient even to buyers who have basic knowledge of the internet. Internet browsing nowadays facilitates at all important public places and even in certain modes of transport through Wi-Fi options. India a fast growing emerging Asian market shows optimistic projection for the E-Commerce industry. Close to 329.1 million people are projected to buy goods and avail services through digital mode in India by 2020 over 130.4 million in the year 2016 i.e., about 70.7 per cent of internet users in India will have purchased the products through digital mode (www.statista.com). All these have encouraged the usage of the internet and inculcated the interest in the minds of non internet users. The online websites are also experiencing a

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mushroom growth and lot of specific websites for the specific category of products. Internet usage initially being optional has become inseparable feature in the global scenario. Communications are made at a faster pace and response is obtained immediately which adds credit to the usage of the internet. It is very hard for an individual who is used to browsing to imagine a world without internet. Started from browsing, mailing, chatting and communicating, shopping online also act as both entertainment and utility function. Online shoppers are not only in the younger generation but are also widespread to all the categories of people. The website once navigated inside provides detailed procedure step by step manner thereby making the process much easier.

The usage of internet is the need of the hour. Every individual in one way or another is dependent on technology for his/her survival. India and China hold to 39 percent of 830 million young internet users as per UN report. As per the report of Telecom Regulatory Authority of India (TRAI) the internet subscribers per 100 population as on 30th December 2016 is 40.93 in Tamil Nadu. Further, it is also reported that internet subscribers in both mobile and landline contribute to 29.18 million in September 2016. The journey of marketing has evolved from production to online purchases where the individuals buy and sell products online termed as online marketing. For online shopper, shopping exhibits a similar pattern of buying done offline, the process involves visiting a website, selecting the product and placing the order and making payments by accepting the terms and conditions. The advent of smartphones with 3G and 4G facilities has made the buyers prefer online shopping modes. A basic knowledge of using the internet is often sufficient to buy products online.

India is the second largest smartphone market in the world in terms of number of users and one out of three smartphones are sold online in a report given by Counterpoint – Economic times. Hence the preference of shoppers has moved from offline to online because of saving time and money and attracting buyers from all age groups. As per a survey conducted by Google and Forrester in the tier I and tier II cities, the total online shoppers in India will triple to 100 million by 2016 in which 40 million women are counted. The consumers who once believe in touch and feel of the product have started their march towards online shopping. The online marketers have started to grab the attention of the consumers by providing a lot of offers and facilities similar to that of a store purchase with easy purchase and return options, enabling the buyers to purchase online staying at their physical locations. The factors identified Association of Chamber of Commerce (ASSOCHAM) and Price waterhouse

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coopers (Pwc) state that E-Commerce growth is due to the reasons like aggressive merchandising, discounts offered, increasing brand loyalty and usage of more smartphones and tablet computers among the consumers. It is quite common now-a-days to see even offline consumers verifying online the prices of the products they intend to buy in stores. This awareness makes him/her to understand the worthiness of the product he/she is going to buy at a physical store. Online shopping has created knowledge upgradation with regard to products with helping the consumer to make informed decisions. At this juncture, the consumer has started to compare the traditional and online shopping modes of purchases which ultimately have resulted in purchases made online. The behavioral change regarding the product purchase accompanied with reference opinions and convenience has made people switch over from traditional shopping to E- Shopping.

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