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# Online Shopping: A study of buying behaviour of the consumer

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**Abstract**

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. One of the most enticing factor about online shopping, particularly during a holiday season, is it alleviates the need to wait in long lines or search from store to store for a particular item. Internet has developed new delivery channels through which electronic transactions are increasing rapidly. This need has arisen to understand how they perceive directly to buy things. Most of the people who use the internet to purchase online but still there are some consumers which are reluctant to buy online. The attitudes of people towards purchase online are different in Punjab. The purpose of this study is to review the factors felt reservation of consumers in online shopping. The main objective of the study is to know what are factors which affect the consumers directly for online shopping.

***Keywords:*** *Online shopping, Consumer, Internet*

## Introduction

The internet has played a significant role in our daily life in that people can talk through the internet to one who is actually on the other side of the Earth, can send email around the clock, can search information, can play game with others, and even can buy things online. Meanwhile, Internet shopping has been widely accepted as a way of purchasing products and services It has become a more popular means in the Internet world ((Bourlakis et al., 2008)). It also provides consumer more information and choices to compare product and price, more choice, convenience, easier to find anything online ((Butler and Peppard, 1998)). Online shopping has been shown to provide more satisfaction to modern consumers seeking convenience and speed ((Yu and Wu, 2007)). On the other hand, some consumers still feel uncomfortable to buy online. Lack of trust, for instance, seems to be the major reason that impedes consumers to buy online. Also, consumers may have a need to exam and feel the products and to meet friends and get some more comments about the products before purchasing. Such factors may have negative influence on consumer decision to shop online.

It has been more than a decade since the e-commerce first evolved. Researchers and practitioners in the electronic commerce constantly strive to obtain a better insight in consumer behaviour in cyberspace. With the development of the retail E-commerce, researchers continue to explain E-attitude of consumers of different perspectives. E-commerce is the buying and selling of the goods and services online; internet is the best source to use this tool. Today the amount of trade that is conducted electronically using e-commerce has increased with a wide spread usage of internet and technology. E-commerce includes transferring of funds online, supply chain management, marketing over internet, In India it started as buying of online services from other countries virtually and it involved a complete trade in which service was given through internet and money was transferred through credit cards to other country's firm.

## ONLINE SHOPPING AND CONSUMER BEHAVIOR

With the emergence of the Internet, Internet-based electronic commerce developed and this environment provide individuals to reach information about products and services easily. Moreover, commercial organizations have moved to incorporate the World Wide Web into their promotional campaigns, and by offering the facility of online purchasing and like many other innovations 'online shopping' has become a part of our lives.

Furthermore, the Internet business have created more competitive environment, understanding features of online shoppers' behaviours have been more important. Moreover, it should be analyzed by online sellers that 'why some still prefer not to buy online'. perceived characteristics of the web sale channel which include risk, advantage, online shopping experience, service quality, trust; second category is web site and product characteristics which are risk reduction measures, web site features and product characteristics; and the last category clarified by authors is consumer characteristics. Consumer characteristics are driven by various types of features. Consumer shopping orientations, demographic variables, computer, internet knowledge and usage, consumer innovativeness and psychological variables.

**A Framework of Online Consumer Decision**

A framework that compares online consumer decision with offline decision making was developed by Laudon and Traver (2009), who suggest that a general consumer behavior framework requires some modification to take into account new factors. When consumers want to buy product, they will look at the brand and the characteristics of 68 product or service. Some products can be purchased and shipped easily online such as, software, books. On the other hand, some products are hard to decide through online channel. Web site features, firm capabilities, marketing communication stimuli, and consumer skills are also important, in terms of the proposed framework (Laudon and Traver, 2009). When consumers want to buy product, they will look at the brand and the characteristics of product or service. Some products can be purchased and shipped easily online such as, software, books. On the other hand, some products are hard to decide through online channel. Web Site feature is one of the important things that can influence consumers to buy product online. For example, online retailers can use high technology to improve their websites in order to influence consumer perceptions of the web environment (Prasad and Aryasri, 2009). If the web site is too slow, not navigability, or not safe enough, will have negatively impact consumer willingness to try or buy products from the website. Consumer experience with online shopping. (Broekhuizen and Huizingh, 2009) or consumer skills, which refer to the knowledge that consumers have about product, and how online shopping works (Laudon and Traver, 2009) also influences online shopping behaviors. Clickstream behavior is another aspect that becomes more important in the online world. It refers to the behavior that consumers search for information through web sites many sites in the same time, then to a single site, then to a single page, and finally to a decision to purchase (Laudon and Traver, 2009). All these factors lead to specific attitudes and behaviors about online purchasing and a sense that they can control their purchasing environment thru the online world.

Factors that Impede Consumers from online Shopping Major reason that impede consumers from online shopping include unsecured payment, slow shipping, unwanted product, spam or virus, bothersome emails and technology problem. Business should be aware of such major problems which lead to dissatisfaction in online shopping. Security: Since the payment modes in online shopping are most likely made with credit card, so customers sometime pay attention to seller's information in order to protect themselves (Lim and Dubinsky, 2004). Customers tend to buy product and service from the seller who they trust, or brand that they are familiar with (Chen and He, 2003). Online trust is one of the most critical 70 issues that affect the success or failure of online retailers (Prasad and Aryasri, 2009). Security seems to be a big concern that prevent customers from shopping online (Laudon and Traver, 2009). because they worried that the online store will cheat them or misuse their personal information, especially their credit card (Comegys et al., 2009). For instance, report indicated that 70 percent of US web users are seriously worried about their personal information, transaction security, and misuse of private consumer data (Federal Trade Commission, 2001). Intangibility of online product: Some products are less likely to be purchased online because of the intangible nature of the online products. . For example, customers are less likely to buy clothes through online channel (Goldsmith and Flynn, 2005) because they have no chance to try or examine actual product (Comegys et al., 2009).

Customers viewing a product on computer screen can show a different effect than actually seeing it in the store (Federal Trade Commission, 2003). In sum, customers cannot see, hear, feel, touch, smell, or try the product that they want when using online channel. In many cases, customers prefer to examine the product first and then decide whether or not they want to buy (Junhong, 2009). Some people think the product information provided in website is not enough to make a decision. Online shoppers will be disappointed if the product information does not meet their expectation (Liu and Guo, 2008). Social contact: While some customers likely to be free from salesperson pressure, many online shopping would feel difficult to make a choice and thus get frustrated if there is no experienced salesperson's professional assistance (Prasad and Aryasri, 2009). Moreover, some customers are highly socially connected and rely on other peoples' opinions when making purchase decision tend. There are also consumers who sometimes shop at traditional store because they want to fulfill their entertainment and social needs which are limited by online stores (Prasad and Aryasri, 2009). Dissatisfaction with online shopping: customers' past online shopping experience often affect their future purchase decision. In online shopping, for example, they may get unwanted product or low quality products, product does match what is described or expected (Comegys et al., 2009).. The product may be fragile, wrong, or not working. Some online sellers may not agree to refund those products even though it is not what the customer wanted. Delivery is another thing that affects online purchasing decision. Slow or late shipping, for instance, makes customer walk away from online shopping (Comegys et al., 2009)

## FACTORS THAT AFFECTING CONSUMER BEHAVIORS, CONSUMER CHARACTERISTICS IN THE ONLINE MEDIUM

Consumer behaviours can be explained in four dimensions which are personal characteristics, psychological characteristics, social characteristics and cultural characteristics.

### *PERSONAL CHARACTERISTICS*

Characteristics of a person, is an important factor affecting the purchase decision process. Personal factors include age, gender, occupation, income status, education, life style. Both gender group gets familiar with using the Internet .Men are more familiar with using technology and their interest is bigger than women. In today's world this gap started to decrease and it has found that 'an increasing number of women use the Internet' they also found that men are claimed to be more pragmatic whereas women are more anxious by the time they face new things. It has emerged that demographic factors such as gender are significant factors when people face new things. In this case, their attitudes have been driven by their social environment.

Furthermore, individuals with lower income tend to approach online shopping activity more cautious and find this medium as a riskier place since their tolerance for financial losses are lower with respect to consumers with higher income.

On the other hand it has found that 'online shoppers are not necessarily more educated'. Online shopping has been considered as a easy activity, therefore education level has not a big effect on it. However educated people are more likely to accept innovations easily educated level may have an effect on decision process.

### *PSYCHOLOGICAL CHARACTERISTICS*

Online consumers psychologically deal with themselves and they frequently questioning themselves. Motivation make consumers to ask themselves, should they look a better price or should they shop online more often and these kind of questions. Perception is one of the important factors and makes consumers examine the security of the web site or the quality of the product. In this case the seller organizations have to be successful in terms of providing customers a confidence. Another psychological aspect is personality. The personality factor may drive consumers to ask themselves what kinds of web sites are best suited for their personal preferences. Personal preferences manage consumers to decide. The fourth one is attitude and attitudes can change easily, therefore marketers are many interested in these features. Consumers try to find out what they like or not in respect to a particular situation. The last factor is emotion; they may consider their last experience. Consumers are affected by choices and emotions alter with the experience of their choice.

### *SOCIAL CHARACTERISTICS*

The social influence comes from the reference groups. For the online consumers reference groups are identified as virtual communities, consisting of discussion groups on a web site. Other people's experiences, opinions have shown in this medium and affect consumers. Another one are contact links, web site links related to the product or the service, which make individuals ensure about the decision. Family is one of this reference groups. There are different ways that reference groups influence an individual's attitude, they may expose a new behavior or life style or may create a pressure to accept the attitude.

### *CULTURAL CHARACTERISTICS*

Different social classes create different behaviors. Consumers from lower social classes would not have the same properties such as higher intention to buy or higher probability like higher social classes. Furthermore, culture set values and beliefs in the early ages therefore person's wants and needs are driven by this setted feature. Almost everything we do; how we give and receive information, make decisions, lead and manage, working teams, use time is influenced by culture. Culture as 'the collective mental programming of the mind which distinguishes the members of one group or category of people from another'.

### *CUSTOMER LOYALTY*

In the last century, technological advances leading to very large changes on marketing. Consequently it offered new opportunities and also led to even greater competition they are facing. This makes businesses to leave classical management mentality and to adopt new business and market strategies. The internet, which becomes a part of daily lives, also becomes a part of everyday shopping. To retain customers, who are just a few keystrokes away from any web sites without any constraint, has become very difficult. In case of any dissatisfaction, these customers would prefer a high number of competitors and the switching cost is almost absence, thus in online environment, e-stores is to make it even more important to ensure customer loyalty.

Products of technology and informatics start to change the customers' shopping behavior, as it changes many habits of them. In online shopping, customers have some expectations from companies before shopping, as in traditional shopping. To satisfy or dissatisfy this expectations or how extent of satisfaction is achieved create the perceived value of customers. Satisfaction or dissatisfaction occurs as depends on experiences which exist after online shopping. This situation affects the trust to company. Customers' loyalty or disloyalty depends on how much these factors are achieved.

### *TRUST*

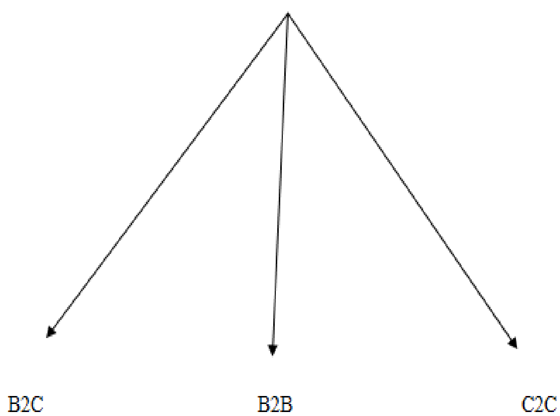
Consumers' trust to a provider or supplier results with becoming committed to the company. Trust issue is exceed with a few successful transactions, after individuals start feel safe and believe that this supplier answer their needs and wants. On the other hand provided information is another issue in terms of online shopping. Since online shopping is an activity which related to a computer-system, individuals cannot touch or feel products. Therefore their decisions based on the information that provided by online retailer. Information issue not only important in terms of availability situation, it is also important in convenience and personalization concept. Web site design, access to information, access time to information also influence on behaviors of consumers. Without the online purchasing channel, all those operations would be more costly on the physical effort and time perspective, and moreover it would not be possible for the customer to reach requisite information about the product and to compare it with the most of the competitors. As being advantageous for firms and customers, online sale technology is accepted by the firms while not accepted sufficiently by the customers. At this point, users' buying behavior over internet should be analyzed.

**Influences of Online Shopping Decision:**

- Motivations that lead consumer to buy online
- Convenience
- Web design
- 24 hours access
- Brand browser segment
- Price visibility
- Internet speed
- Cash on delivery
- Free home delivery
- Quick search
- Better service

- Easy payment
- New design
- Trendy shopping
- Saves travel time
- Availability
- Trustworthy
- Website security
- Detail information is availability
- Searching the products easy
- Take less time

CLASSIFICATION OF ONLINE SHOPPING




**B2C:** Business to consumer means transactions conducted directly between a company and consumer who are the end users of its products or services. The B to C as a business model differs significantly from the business to business model, which refers to commence between two or more businesses.

**B2B:** Business to business also known as e-biz is the exchange of products, services or information between two or more businesses. It refers to a situation where one business makes a transaction with another.

**C2C:** It markets provide an innovative way to allow customers to interact with each other. Traditional markets requires business to customer relationships , in which a customer goes to the business in order to purchase a product or service . It models facilitates an environment , usually online where customer can trade with each other .

**Services provided online for shopping**

Shopping: The main services provided by the online websites are the shopping only. They provide the various option to shop online through which you can shop anything

Discounts : discounts are always offered by the many online companies. You can go the huge discounts during the festive and wedding season through which you can save the money.

Payment mode: it is totally depending upon you whether you want to pay by the credit cards or to cash on delivery. You can choose any payment mode.

Courier service: the courier services can easily deliver anything like shoes, accessories, clothes and parcel anywhere.

**Mechanism of online shopping:**

Online product recommendation mechanism are becoming increasingly available on website to assist consumers with reducing information ,provide advice in finding suitable products ,and facilitate online consumer decision making .central of these services is consumer's satisfaction with recommendation results. It is based on content or collaborative filtering approaching. The remaining problem concerning TRM is how to analyze the casual relationship between quantitative and qualitative factors, and investigate their impact on the central routes. thus, a new online recommendation mechanism is required that incorporates qualitative factors systematically with quantitative factors to analyze their combined influence on customers 'purchasing decision making process .so ,our study suggest that causal maps based on recommendation mechanism.

**SUGGESTION AND CONCLUSION:**

For factors that affect consumers while shopping online, and that affect satisfaction, they consider that convenience, and trust are the most important variables, the next which are important for them are prices and quality of products. Those variables are the most essential ones for consumers when they decide to shop online. Also, according to results, if there is a good consumers previous experience, if consumer is satisfied with products and services, and if there is risk at minimum level than he will buy more in the future, which means he will be loyal. Web design and delivery time are not important for consumers while doing online shopping purchases.

Online shopping is getting popularity in the young generation such as students and professionals.

Students usually prefer to buy goods from its original source and they mostly prefer online shopping. When a consumers to make purchases online to buy something, he or she is affected by assorted factors. The main Influencing factors have been identified as, price, confidence, security, convenience, time, after sale service and discounted deals. The price factor exists because the prices are often lower through online shopping as compared with physical purchases in the market. Buy online can be of great benefit to the consumer in terms of convenience, saving time and money.

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