

A REVIEW

Online consumer behaviour

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ABSTRACT

The market of India has been witnessing a lot of changes especially with the advent of many global firms. These changes have been with regards to a higher penetration of the mass media, wide communication network availability of various categories and brands of goods and services increased, purchasing power leading to higher disposable income and a complex buying behaviour displayed by consumers at the market place. While firms are trying to deliver superior innovative and value added products and services in their attempt to delight the customers, they have realized that the key to understanding consumer behaviour lies in identifying those vital elements which derive a positive consumer value and work out the entire marketing programme to deliver that unique value. Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast due to this. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market. All this has resulted in the growth of consumer's aspiration levels and their seeking right value and a certain lifestyle from the various products and services offerings. The challenge before marketers is to offer products, which will provide them the desired value satisfaction in this age of constantly changing consumer behaviour and aspirations.

KEY WORDS : Consumer behaviour

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The Internet has paved the way for the emergence and growth of electronic business (e-business). E-business is defined as the process of using electronic technology to perform business. One of the models of e-business matrix is Business to Consumer (B2C), which refers to online shopping (Internet shopping) for consumers. Online shopping in India has grown 128 per cent in 2012-2013 compared to only 40 per cent the previous year 2011-2012 according to Google Online Shopping Growth in India – 2013. Indians like the idea of shopping through the Internet as reported by

Google India trends.

The internet users in India has become 137 million in 2012 India occupies third place next only to China and USA. From the reports of Google India trends in 2012, it has been stated that 2013 be a strong growth year for categories like apparels, accessories, baby products, home furnishings and health nutrition. And this growth is expected to come from outside of the top eight metro cities in India (Google Online Shopping Growth in India – 2013). A few years ago, consumers purchased clothes from malls, books from bookstores, traded stock through brokers. With the emergence of Internet and Online shopping, businesses are coming to our doorstep. A number of companies have successfully established an electronic outlet through online portals. Although

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previous research projects have examined the factors that impact the adoption of technology or Internet, there is limited empirical work in the Indian context which simultaneously captures information on online shopping for different product types.

Consumer behaviour :

“Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. With the reference of above cite; consumer behaviour of every individual is different from other depending on buying choices which is influenced by buying habits and choices that are turn tampered by psychological and social drivers that affect purchase decision process.

“We’re not aware of changing our minds even when we do change our minds. And most people, after they change their minds, reconstruct their past opinion - they believe they always thought that” (KEYS, 2011).

As quoted above, consumer behaviour about decision making is difficult to define and is a system of short cuts and rule of thumb which is unpredictable. The short cuts in decision making vary from person to person and focusing on the past experience of consumers; we can predict the future trends by bringing profitable products and services into the market. In this modern world, the popularity of interactive media like the World Wide Web is increasing day by day with rapid pace. With reference to marketing it is continuously realized that the main two factors observed due to WWW are Most of the companies are doing their business online and make their website as showroom of their product and services. And Fast increment of consumer segments due to increase needs and demand including online shopping as well. ^L ^{SEP} E-Commerce (electronic commerce or EC) is the buying and selling of goods and services on the internet, especially the World Wild Web (Tech target, 2007-2012). Online shopping is a form of E-commerce where by consumers directly buy goods or services from a seller over the internet. Online shopping is done through an online shop, e-shop, e-store, Internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files. Many online stores will provide links for extra information about their products. They often make available, safety procedures, instructions, manufacture specification and demonstrations. Benefits of E-commerce have been grown very fast because of many advantages associated with buying on internet as the lower transaction and search cost as compared to other types of shopping. Online shopping allows consumers to buy faster, more

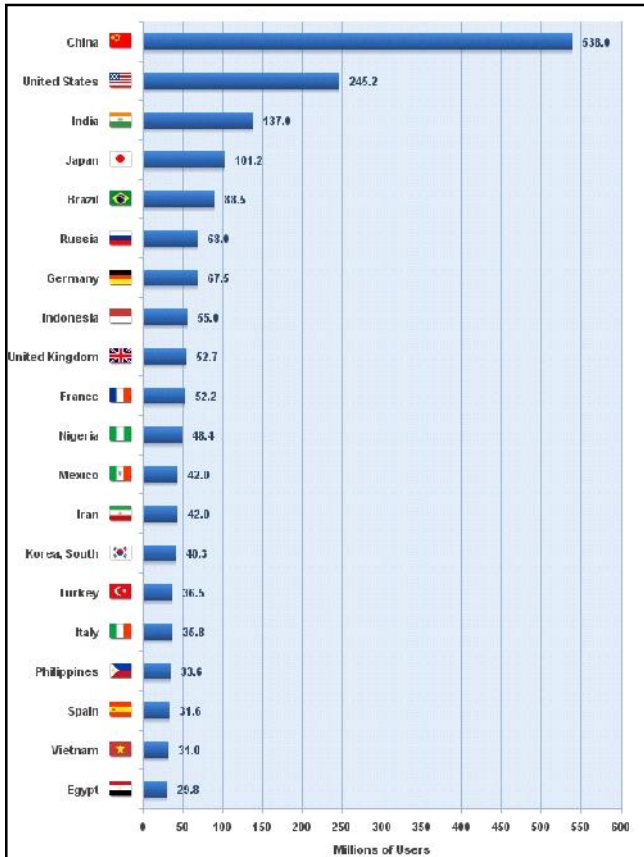


Fig. 1: Top 20 Internet Countries- 2012 Q2 with highest number of users

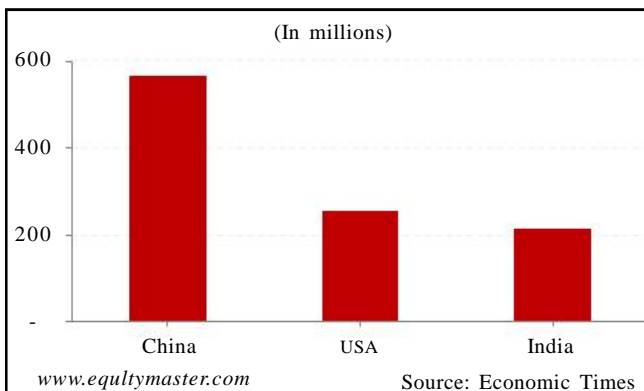


Fig. 2: Consumer behaviour

alternatives and can order products and services with comparative lowest price. Consumer's attitude towards online shopping refers to their psychological state on terms of making purchases. The process of buying behaviour process consists of five steps. For instance, customers first identify a need or want and then define the requirements necessary to satisfy that need. Secondly, gather information and evaluate the options that are available. Once they know their options, they will look to make a purchase which will include shopping for or negotiating the best price they can achieve. Lastly, consumers will go through several factors which limits or influence final decision and they will evaluate whether or not they made a good decision.

E-Commerce/online shopping :

Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast due to this. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market.

Total global E-commerce sale in 2011 have grown to Euro 690 billion (USD 961 billion) and recorded an increase of 20 per cent with an estimation of increase in the coming years and to cross the 1 trillion Euro mark in 2013. Asia pacific region is leading in terms of growth as compared to mature markets like US, UK, Japan and European countries. Asia pacific recorded 130 per cent growth specially China in 2011. The online retailing is becoming an integral part of an economy and country and worldwide increasingly seeing trust and confidence in purchasing online.

"E-commerce is benefiting from several positive trends, including the continued rollout of broadband, increasing user comfort shopping online and the decline of certain brick-and-mortar retailers," Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search

information and so on. The recession has so much impact on online consumer behaviour. Online shopping behaviour depends on four factors such as shopping motives, personality variables, internet knowledge and experience and last factor is shopping incentives. These are key determinants to influence the behaviour of online consumers. Online seekers are the main sources of online shopping. Online shoppers always want to seek information within few clicks and reach to the most relevant information according to their requirements such as competitive brands, best price offers, product specification and consumer word-of-mouth.

Introduction of theories related to online consumer behaviour :

We have so many theories on online consumer behaviour such as expectation confirmation theory, Innovative diffusion theory, technology acceptance model, theory of planned behaviour, theory of reasoned action. Consumer behaviour responds differently with offline and online elements. According to Subhasish Dasgupta, based on their personality online consumers have two characteristics.

- Manifestation of offline consumer behaviour
- Unique behavioral mode. Virtual communities also play an important role on online consumer behavioural. Virtual communities are also known as "Venuses for consumptions"

When analyzed with the passage of time online shopping of electronic goods increases day by day because retailers make new strategies and new design to facilitate online shopping and make ease to online consumer to do shopping at their home with hassles of physical appearance to huge malls and market in the busy life. With new era, the business environment has undergone a rapid innovation and inventions with the internet. Now consumer can easily access many shopping websites and purchase goods according to selection with huge amount of alternatives without limitations. Yuan gao explained a casual model of information research on the internet. He defines four types of antecedents including personal factors, product factors, media factors and situational factors.

Online buying behaviour :

Online shopping consumer behaviour is also called online buying behaviour and internet shopping/ buying

behaviour. Online shopping behaviour has direct relationship with these five elements such as e-stores, logistics support, product characteristics, websites' technological characteristics, information characteristic and home page presentation. According to studies, those people who have wired lifestyles and who have time constrained, they spend less time to buy things online.

Different authors define consumer behaviour characteristics differently. Researches on online consumer behaviour and characteristics have been done by so many market researchers and authors. The research on online consumer behaviour is important because it helps to understand when and how online consumer prepares themselves for purchasing. Turban has defined a model on consumer behaviour online. In this model, electronic environment consist of three variables such as independent variable (which is also called personal characteristics and environment characteristics), intervening or moderating variables (it is under vendor's control) and the decision making process (effected by independent and intervening variables).

Factor predicting online shopping :

Researches tell us that online consumers have ability to bargain and purchasing power to buy goods. Consumer lifestyle plays a main role in the process of online purchasing on electronics goods. Consumer lifestyle should have compatibility which have effect with positive attitudes towards technology, have ability to accept multiple kinds of new technologies, online skills, knowledge and remain online experience. All these factors have a strong effect on consumer lifestyle. Online purchasing is very dependent on these factors.

Davis a well-known author introduces TAM; it stands for Technology Acceptance model which explains the impact of external factor on internal beliefs, attitudes and intentions as a result consumer behaviour effects. TAM theory consists of two main factors; perceived usefulness and perceived ease of use. Another theory TRM (Theory of Reasoned Action) also defined factors that predicting online shopping introduce by Fishbein and Ajzen. TRM based on dispensaries and attitude. This theory demonstrates people willingness and its attributes. How they work and how they grow in a person. It is well established theory of social psychology applied to customer behaviour. TRM includes intention proceed

behaviour, behaviour towards individuals to individual and also bring light into social determinants and its influence. TRM helps to construct trust on online shopping through the extensive use of technology, impersonal nature of online business, the vulnerability of furnished by different parties and the uncertainty of using new business increase consumer easiness and attract more towards online shopping.

The formation of online consumer strongly influenced by its personal experience, influence of its social network, direct marketing, mass media and the Internet. From researches it is shown that direct experience (e.g. product usage) is more attractive towards online shopping rather than direct experience (e.g. reading a print ad). It's very important for a market manager to understand consumer behaviour and its attribute which factors influence them to change. Consumer behaviour understanding helps in online market to focus and make target to customer by segmentation and predict customer' purchasing behaviour and generate more profit through online channels. From the analysis path, it is clearly shown that attitude makes attributes or factors predicting online shopping and afterwards, these factors influence consumer behaviour towards online shopping of electronic goods. When independent variable gives high beta co-efficient, it means that variable have highly important in contributing to the predicting factor for online shopping.

Factors influence online consumer behaviour :

There are so many factors involve that have influence on online consumer behaviour while he would do online shopping, in simple word, it is a complex mixtures of so many factors such as social, culture, education, race, personality, environment and resources availability. It involve many variables some are controllable and some are uncontrollable such as environment and consumer personality are uncontrollable variable which always prevail in every online transaction but some are in our span of control such as medium of exchange, medium of goods information, products or services characteristics, merchant or inventory characteristics. There are other factors as well like building trust factor, confidence, appealing website, proper and full information about goods and services by this purchasing decision would be more encouraged.

Online purchase intention :

Online shopping reveals three main dimensions or studies in the process of online purchasing, those three studies are Human computer interaction (HCI), behavioural and consumerist orientations.

Consumer mind set model in online shopping :

The concept of consumer mind set is introduced by Wurtzberg motivational psychologist. A mind set refers to a “specific cognitive orientation”. According to this theory, every consumer mind set is composed of different thought, modes of emotions and different information processing. Propensity to shopping is affected by consumer mind set. Online consumers are goal oriented rather than experimental if they chose online shopping. Consumer mind set two types of determinants one is goal oriented and second one is experimental. According to Association of motivations with shopping outlet, toy retailer found that experimental mind set consumer buy toys more as compare to goal oriented mind set consumer as they prefer buy through online channels. Dholakia and Bagozzi also contributed their efforts in mind set formation and influence (MSFI) model. They introduce most relevant factors contributing mind set on consumer. According to this MSFI model, consumer search behaviour depends on website selection, length of website

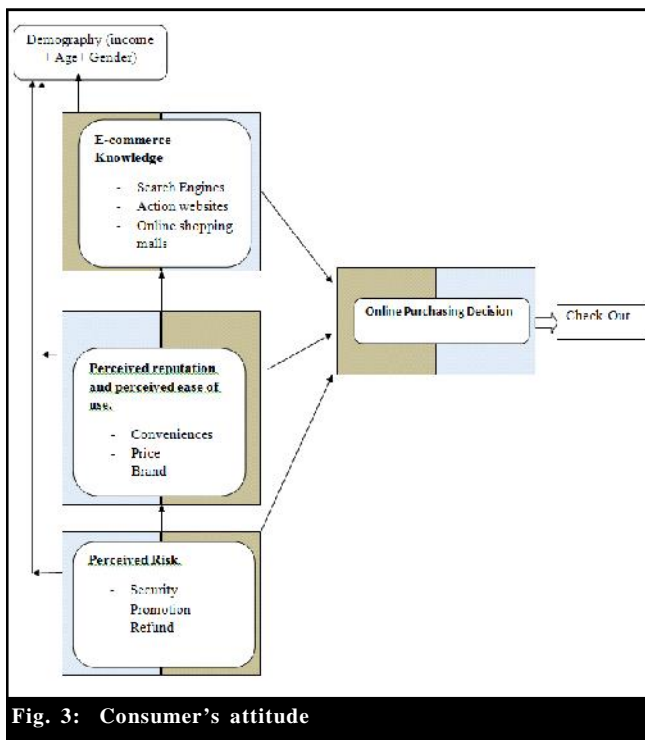


Fig. 3: Consumer's attitude

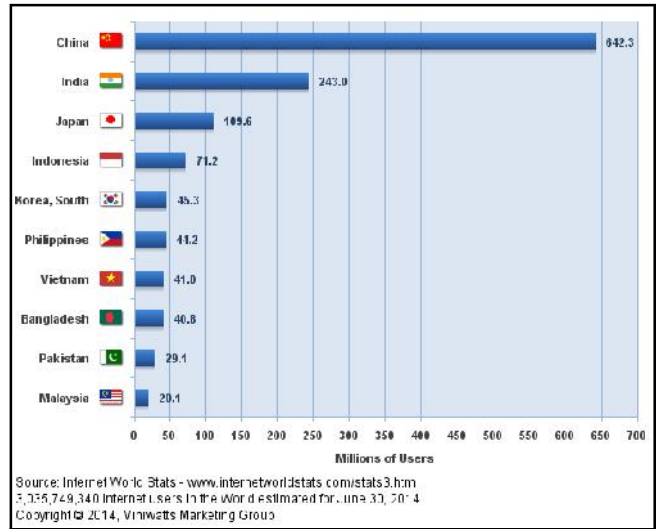


Fig. 4: Asia top Internet Countries June 30, 2014

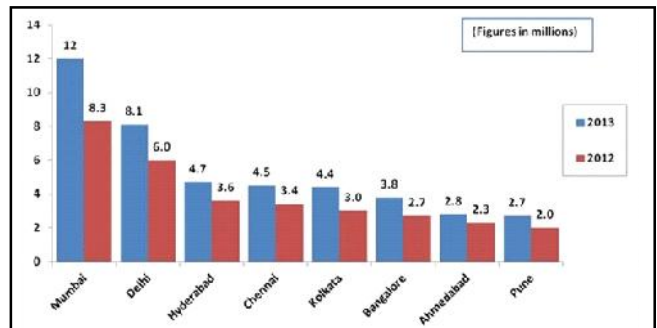


Fig. 5: Indian top Internet cities

visit and information obtained has influence on one's minds. Mindset has a string influence on key cognitive, effective and behavioural aspects of consumer's activities in online shopping. Mind set gives concepts to reach cognitive orientation through experimental and goal oriented. Mindset has ability to overcome external environment. This is the strong point of mind set to help managerial point of view since it provides actionable insight. Through mind set research in the consumer behaviours helps to increase more opportunity in market.

Conclusion :

Along with high rapid growth of online shopping, this rapid growth is impressed to many retailers for selling products or services online which is the important channel to expand their market. The marketing manager should understand the customer behaviour in order to make decision to purchase the online products or services that

can create better marketing strategies.

Study revealed that online shopping is mostly influenced by social network/circles and personal experience. Consumers are doing online shopping because of convenience and time saving. There are so many factors involve that have influence on online consumer behaviour while he would do online shopping, in simple word, it is a complex mixtures of so many factors such as social, culture, education, race, personality, environment and resources availability. It involve many variables some are controllable and some are uncontrollable such as environment and consumer personality are uncontrollable variable which always prevail in every online transaction but some are in our span of control such as medium of exchange, medium of goods information, products or services characteristics, merchant or inventory characteristics. There are other factors as well like building trust factor, confidence, appealing website, proper and full information about goods and services by this purchasing decision would be more encouraged.

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