

Online Buying: Analysis of Recent Trends in Buyers' Behaviour

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Buying and Selling Online introduces the largest revolution in retailing since the first department store was opened. The principle difference is that this covers the Planet"

-Anonymous

ABSTRACT

In this paper researchers have studied the concept of online shopping, differences between traditional and online shopping. They have also tried to find out what are the reasons behind popularity of online shopping, its benefits and limitations etc. Researchers have mainly focused to study current trends in the online buying and buyers' behaviour; for that purpose questionnaires have been used as to collect primary data for research. At the end they have given suggestions and measures which can be helpful in improving online shopping process for the sellers as well as buyers.

Keywords: E-Commerce, Online Shopping, Consumer, Consumer Behaviour, Cash on Delivery, Payment Gateway.

INTRODUCTION

Market is a dynamic entity. It keeps on changing with environment, situation and economy. Market never stops growing. Market very rightly is considered as a growing phenomenon. Different factors influence emergence, growth and development of marketing activity. How a market grows depends on socio-economic conditions in which the market tries to sustain. Technology is rightly considered as one of the major influencer of modern marketing system. Most of the marketing decisions are often affected by technology and technology related factors. The advent of new forms of technology gives birth to new marketing systems. The best example of this is the impact of computers and communication technology on modern markets. Today we see that most of the modern markets are influenced by computer driven systems. The reason for this is that we cannot separate technology from economy and market. Communication technology has changed our market significantly. Today e-commerce and e-business are most commonly heard words. These phenomena are all pervasive and have influenced every walk of life. Ease, simplicity, effectivity and economy are factors that have popularized the concept of e-commerce significantly. Today business organizations prefer to deal through computer based technology than through direct human interaction. Dot com companies and communication technology based business organizations give a clear evidence of this phenomenon.

Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. Mobile commerce (or m-commerce) describes purchasing from an online retailer's mobile optimized online site or app. from companies that provide their products online. Books, clothing, household appliances, toys, software, and health insurance are just some of the hundreds of products consumers can buy from an online store.

An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping centre; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are Alibaba, Amazon.com and eBay.

One of the important issues in modern marketing is how the consumer responds to various marketing phenomenon and marketing environment. Consumer marketing is like a black box. The realities of which cannot be predicted due to complexities and variations.

The analysis of consumer mind cannot be rightly observed as such consumer behaviour becomes complex phenomenon. Consumer behaviour is rightly considered as the core aspect of modern marketing. The production

approach of marketing is now replaced by societal approach. This requires a consumer/user friendly system of marketing that considers people, place, and process and product image as major components.

Today every marketer is concerned about consumer behaviour and its importance in business success. The old approach of production first sales later is no longer valid. Today marketers first create needs and then manufacture product. Consumer look at price, company as well as competitor as a rational view, hence mere product quality of product is half the approach of marketing.

The rational approach require consumer, consumer demand and then convert the demand into product. The consumer behaviour has become counterpart of modern marketing, marketing research and market oriented business system.

Statement of Problem:

At any given time there are millions of people online and each of them is a potential customer for a company providing online sales. Due to the rapid development of technologies surrounding the Internet, a company that is interested in selling products from its website will constantly have to search for edge in the fierce competition. Since there are so many potential consumers, it is of the out most importance to be able to understand what the consumer wants and needs.

The importance of analysing and identifying factors that influence the consumer when he or she decides to purchase on the Internet is vital. That is why it is crucial for the online retailers to know what influences the online consumer which shows different trends in online market. So this study is intended to analyse the recent trends in online buyer's behaviour.

RELEVANCE OF THE STUDY

The title of the topic is defined as considered the importance of consumer behaviour in online shopping and to study recent trends in online shopping. So, the study has great relevance in the present index:

The following is the relevance of research:

i) Academic relevance:

From the academic point of view the research shall be useful in developing suitable curriculum instruction making addition of research findings. It will help in understanding the current scenario of online shopping.

ii) Research relevance:

The researcher shall to know how online shopping process works, then the advantages and disadvantages of online shopping. It will also help the players in the online shopping market to understand what are the recent trends what changes they need to make in their business.

Objectives of the Study:

The study is directed on the recent trends in online buyers' behaviour. Following are the specific objectives of the study:

- i) To study the concept of online shopping
- ii) To study the reasons behind buying online
- iii) To study benefits and limitations of online shopping
- iv) To compare online shopping with physical buying.
- v) To study the changing buying pattern
- vi) Suggestions and measures for online shopping

Justification of Objectives:

The objective of a research is a description of what is to be achieved by the study. The scope of a research is determined by the objectives of a research. So, in order to undergo a research work successfully, it is essential for the researcher to frame realistic and achievable set of research objectives which can be justified in an acceptable manner. Hence, present study is based on 6 objectives mentioned above which are justified as follows:

Justification of objective 1. To study the concept of online shopping:

In order to understand a particular concept, it is necessary to study its various facets and parameters. With the view of getting a deep insight of 'Online shopping concept', the researcher has framed objective No-1.

Justification of objective 2. To study the reasons behind online shopping:

Today many people preferring to buy online as compared to physical buying, researcher shall study why the people are given more preference to online buying. Therefore researcher has framed objective No-2.



Justification of objective 3. To study benefits and limitations of online shopping:

Every new technology has certain benefits as well as certain limitations. To study those benefits and limitations researcher has framed objective No-3.

Justification of objective 4. To compare online shopping with traditional buying:

Online buying is different than physical buying or tradition method of buying; in the view of comparing both the methods researcher has framed objective No-4.

Justification of objective 5. To study the changing buying pattern:

Buyers' behaviour changes according to the changes in market; hence to study the changing buying pattern of buyers researcher has framed objective No-5.

Justification of objective 6. Suggestions and measures for online shopping

After full filling above all objectives researcher shall provide suggestions and measures for the improvement in online shopping.

Scope of the study:

The geographical scope of the study extends to Pune city. The theoretical scope of the study includes the popularity of online shopping, the need of virtual markets, their role in influencing the consumption pattern and habits, merits and demerits of e-markets, major players in online retailing etc.

Statement of Hypotheses:

1. There is a consistent rise in buying through online system.
2. There is change in the perception, attitude and acceptance of buyers buying through online system.

JUSTIFICATION OF HYPOTHESES

Justification of Hypothesis 1:

The growth of computer and computer aided systems has not only affected technological environment of business but economic environment also. Technology and economy are inseparable elements. Economy is usually dominated and influenced by the kind of technology that prevails. Every change in technology influences the economy directly or indirectly. The advent of computerization, development of IT and ITES has brought about many changes in the business and economic system. The marketing environment has also been greatly influenced by computerization. The concepts like online buying, computer aided marketing systems and devices are becoming very popular. In a country like India where computer education has been spread to a very large extent, the implications of online system of purchasing is definitely visible. The influence of such changes cannot be ignored. In this context, the researcher intends to know to what extent the emergence of online buying system has influenced the Indian marketing environment.

Justification of Hypothesis 2:

A customer is the result of prevailing economy and marketing system. A customer cannot isolate himself/herself from the changes occurring in any economic environment. The influence of fashions, preferences, habits, income, occupation and advancements in market; dominate the customer's perceptions. His likes, choices and style of buying are influenced by all these factors. In a way, customer is a dynamic entity. His responses never remain steady. Development of new market systems changes in the attitudes and behaviour of customers significantly. Many products and services that dominate a particular market at a point of time decline due to such changes in customer's perception. Hence the researcher intends to identify the kind and magnitude of changes that are taking place in buyers' behaviour due to emergence of online buying system.

Working definition of terms used

i) E-Commerce:

E-Commerce describes the process or buying and selling or exchanging of products, services and information via computer networks including the internet.¹

ii) Online shopping:

Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online store front and virtual store.

¹Introduction to E-Commerce-Nidhi Dhawan



iii) Consumer:

A consumer is a person or group of people, such as a household, who are the final users of products or services.

iv) Consumer behaviour

Consumer behaviour is the decision making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services².

v) Cash on delivery (COD):

COD is a type of transaction in which payment for goods is made at the time of delivery. If the purchaser does not make payment when the good is delivered, then the good will returned to the seller.

vi) Business to Consumer Model (B2C)

B2C is the business model in which buying and selling of goods and services over the internet between a merchant and consumer happens.

vii) Business to Business Model (B2B):

B2B is the business model in which buying and selling of goods and services over the internet between two businesses happens.

viii) Payment Gateway:

Payment Gateway is the software that enables e-commerce systems to communicate with a merchant's Merchant Account provider to enable online credit card processing.

ix) Card Verification Value (CVV):

CVV is a three digit number printed in the signature space on the back of most credit and debit cards, such as MasterCard and Visa.

x) Shipping cart:

Shipping cart is a specific area of an online store that displays the current contents of an order in process.

xi) E-payment:

E-payment is the payments that are made directly to payee from your bank account using security features over the internet to process the transactions.

xii) Web portal:

Web portal refers to a website or service that offers a broad array of resources and services, such as e-mail, forums, search engines and online shopping malls.

xiii) Service provider:

Service providers are the organization, business or individual which offers service to others in exchange of payment.

Data Collection:

Questionnaires have been used for collecting data

A comprehensive questionnaire was formulated to obtain valuable feedback from the people who do online shopping so as to understand their perception regarding e-business, e-commerce, e-marketing and e-shopping.(The Questionnaire has been circulated to only those people who do online shopping.)

Sample Size:

Considering time and resources constraint researcher has selected 150 samples for the purpose of this study.

Techniques of data analysis

The researcher has collected qualitative and quantitative data from the respondent. And the data is analysis by observing the collected data:

Important Observations based on primary data

- Majority of the respondents do online shopping in recurring manner as they have realized the advantages of it.
- The primary objective of visiting online shopping websites is to obtain detailed information about the product followed by buying it.

²Consumer Behaviour-Matin Khan



- Online shopping is preferred by majority of the respondents since it saves a significant amount of time.
- The problems faced by some of the respondents consist of substandard product, delayed delivery, damaged product and non-delivery of the product.
- Articles/commodities shopped online consist of clothes, shoes, electronic goods, computer goods, cosmetics, books compact disk (CD)s, furniture and kids wear.
- The payment mode adopted by the respondents is payment by using debit/credit card followed by cash on delivery (COD).
- Significant numbers of respondents are aware of mobile application (apps) of shopping website as it provides a better user friendly system of shopping online compared to regular buying. Flipkart is one of the most popular applications among all.
- After sales service is satisfactory, yet there is a scope and requirement for betterment.
- Majority of the respondents are aware of phishing and other online fraud; still there is scope for further awareness about the same since such incidences are on rise.
- Few respondents are of the opinion that they purchase goods and services online because huge discounts are available; such respondents need have a review of this habit as it is similar to an addiction.
- Majority of respondents have opined that the most scaring factor in the process of online shopping is safety of payment compared to other risks.
- Majority of the respondents are satisfied with their experience during online shopping.

CONCLUSION

Establishment of Hypothesis No- 01

After analysing the data, it has been noted that there has been a gradual but definite change in the perception of buyers. This change is very important as it has enhanced the popularity of online buying. Majority of respondents are in favour of online buying owing to its advantages. Considering this, the statement of hypothesis “There is a consistent rise in buying through online system” is found valid and thus is accepted.

Establishment of Statement of Hypothesis No-2

In this study, the responses of most of the respondents are favouring online buying in potential and practice. Thus the statement of hypothesis “There is change in the perception, attitude and acceptance of buyers buying through online system” is found valid and accepted.

Limitations of the study

There are number of factors influencing the consumer. However, this research will try to identify the main factors influencing the online consumer and will therefore; try to limit these to a few in order to be able to investigate the effect on the online buying consumer.

Within the field of consumer behaviour there are many theories and models that identify the consumer. This research will limit itself to identify the consumer through his/her consumer characteristics and the consumer buying process.

Consumer behaviour differs depending up on what product or service is bought. Hence, different factors are of different importance to consumer depending up on the product or service. Therefore this research will limit itself to frequently bought products by online buyers in Pune city. Researcher will also limit his research to Pune city, considering people who have online buying habits. This seemed to be the most appropriate choice considering the limitations in both time and resources.

SUGGESTIONS

1. Products need to be delivered within the assured time.
2. Details provided for product need to be complete and accurate;
3. After sales service and complaint redressal procedure needs to be more efficient, effective and user friendly.
4. Online shopping service provider may think of covering small towns and rural areas.
5. Services of Indian Posts can be availed of to reach rural part for delivery of products.
6. Online payment system needs to be made more secured to mitigate online frauds of varied nature.
7. Online service provider should develop web portals in regional languages that may help in attracting new customers.
8. Product tracking facility needs to be more precise; presently, accurate location of the product is not traceable.
9. Websites of online shopping service provider need to be more attractive and user friendly, they can develop websites which can be used by the buyers who have slower internet connection.



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