



A STUDY ON FACTORS AFFECTING ONLINE SHOPPING IN DAVANGERE CITY, KARNATAKA.

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ABSTRACT

Today, the internet has changed shopping behaviour from brick and mortar shops to virtual shops. The size of the market for e-commerce is growing day by day globally. In India, the size of the Indian e-commerce market in 2022 is predicted to increase by 21.5%, reaching US\$ 74.8 billion. It has become imperative for retailers to understand the buying process of consumers and the factors affecting consumers while purchasing. The purpose of this paper is to understand the buying process and various factors affecting the behaviour of consumers while online shopping in India. This research used secondary data to determine the determinants. The findings of the study indicate that consumer behaviour is significantly related to six factors. As per the results of the study, it is found that perceived risks like financial risk, product risk, convenience risk, non-delivery risk, attitude and perceived behavioural control influence the decision or customer while purchasing online. The framework of the research enhances understanding of the buyer process and factors affecting consumer online shopping behavior.

KEYWORDS : Online Shopping, Buyer's buying process, Factors influencing buying process

INTRODUCTION

Shopping is the word that gives refreshment, happiness, and relaxation in everyone's life. The shopping of consumers is also a central point for traders to make a profit. So, the trader uses this to their benefit. Traders find creative ways to influence consumers. They continuously search for innovative ways where consumers can influence them to make shopping easier. In the olden days, promotional activities were the only way to influence consumers to purchase goods. But the advancement of technology has introduced many ways to satisfy consumers. In this regard, online shopping is one method used by many consumers.

Online Shopping

The Internet makes life simple and innovative. The growth of the internet in the world provides many opportunities for many people around the world in many different ways (Dogruer et al., 2011). Many companies are doing business online, and trade has become easier and faster due to this. Online shopping is a method of purchasing goods or services from a seller by using a web browser. Online shopping is a form of e-commerce. Online shopping, e-shopping, web shopping, and virtual store shopping are the words commonly used for this purpose (Reddy & Co., 2018). Online shopping has emerged as a fresh idea and has created endless opportunities for all (Dogruer et al., 2011). Many companies have started using the internet with the aim of cutting costs and giving services as quickly as possible. This type of business also aids in market competitiveness and competitive advantage. The Internet is a new way to promote business in an innovative way. Companies also use the internet to easily communicate information to customers and to promote their products.

Online shopping in India

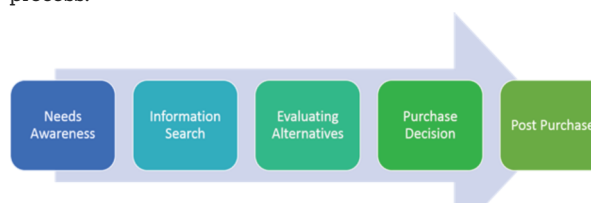
Online selling and purchasing offer innumerable benefits to both sellers and buyers and these advantages are also the reasons for the rising scope of E-commerce. Commerce through internet or E-Commerce has experienced rapid growth since the early years. As of 2017, the total value of the E-Commerce business in India was USD 38.5 billion, according to IBEF, and it is expected to hit USD 200 billion by 2026. That gives us a good idea about the future scope of e-commerce in India.

It is well known that day by day through the world online shopping increasing its total value. Indian e-commerce is projected to increase from 4% of the total food and grocery,

apparel and consumer electronics retail trade in 2020 to 8% by 2025. The Indian Online grocery market is estimated to reach US\$ 26.93 billion in 2027 from US\$ 3.95 billion in FY21, expanding at a CAGR of 33% (IBEF report).

Process of Buying Behavior

Consumers will not behave the same because they will be influenced by multiple factors, which start from individuality but also the environment. These influences are not only personal by family and friends, but can also be found in internet comments about product experiences. (Palacio-Fierro, 2020). When any customer decides to purchase something, he will not purchase it immediately. He follows some steps before making a final decision to purchase. Generally, customers follow the following decision-making process:



The above steps are usually followed by consumers while purchasing. But when he goes from one step to another, he takes some time to move and many factors influence his next step. In the step between alternative evaluation and purchase decision, there are many factors that influence the purchase decision. These factors differ from one person to another and on the basis of nature, price, and frequency of purchasing goods. Consumers use all five stages during the decision making process for those products which they purchase rarely or occasionally with high involvement. The consumer purchases goods or services with low involvement in decision making if the product is for daily usage or low cost. For buying daily-use products, the most probable outcome is to skip one or more than one of the stages in the decision-making process. (Qazzafi, 2019).

Factors influencing consumer buying behavior

The basic psychological processes (i.e., motivation, perception, learning, memory, personality, and attitude) play an important role in understanding how the decision process takes place. Smart companies try to understand the consumers' buying decision process at the deepest level possible, i.e., all their experiences in learning, choosing,

using, and even disposing of a product (Kotler & Keller, 2006, p. 191). For a long time, it was a "black box" for marketers as to what was happening in a stage between information search and post-purchase behaviour in the buying process (Stankevich, 2017). Different factors have been recognised and identified by researchers across the world which have an impact on the behaviour of consumers who shop online. A consumer's attitude depends on an array of factors which are significant for online shopping. At the same time, online stores surely have different advantages over physical stores, but at the same time, they ring alarm bells for consumers.

Factors affecting in online shopping

With advancement of technology, consumer profile has been changed in education, income, age, gender, occupation and reference group. There is a shift in consumer brand preferences for daily need to products to high end technologies. This effected consumer to shifting from crowded stores to one click online shopping format. Because online shopping gave them more alternatives and easy shopping. Consumer positive attitude and willingness to search for pre purchase information led to strong likelihood that they will by online.

Cultural factors

Culture is a powerful and dominant determinant of needs and preferences. Because culture builds the way of life, way of doing, and way of worshipping.

Social factors

Consumer response to products, brands, and companies is notably influenced by a number of factors: family, reference groups, and role status. A marketer needs to analyse these social factors of his target market to identify its needs effectively.

Personal Factors

Along with culture and social factors, personal factors also affect one's buying decision. Personal factors are related to the buyer himself. These factors primarily include age and life stage, occupation, economic situation, lifestyle, personality, and self-concept.

Psychological factors

Buying behavior is influenced by several psychological factors. The dominants among them include motivation, perception, learning, beliefs and attitudes. It is difficult to measure the impact of psychological factors as they are internal, but are much powerful to central persons buying choice. These are some factors which influences, consumer behavior while he purchasing

Perceived risks

People have hesitations in doing online shopping due to security concerns, non-delivery risk, convenience risk and complex return policies of the e-retailer. At the same time people are resistant to change because of technological complexity in making online purchase (N. Kumar & Gupta, 2017). Perceived risk refers to the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision. Before purchasing product, a consumer considers the various risks associated with the purchase. The different types of risks are anticipated while making online purchasing. According to different researchers description of following types of Perceived Risk are as follows- Financial Risk, Performance Risk, Physical Risk, Psychological Risk, Social Risk, Time Loss Risk, Source Risk, Privacy Risk(V. Kumar, 2014)

Financial Risk

Financial risk, often also known as 'economic risk', is defined as the "likelihood of suffering a financial loss due to hidden or replacement costs as a result of the lack of warranty or a faulty

product" (Pentz et al., 2020)When consumer decides to purchase a product he has to pay price by online then he has to give his account information to seller. This is risk which sets back step to consumer. Because there may be chance that the financial information used other purpose.

Product risk

Tangibility of product is important for consumer, because consumer need to sense, feel and touch the product before purchase a product. But it is not possible in online shopping. Above all consumers is facing risk that is the product as the same quality as viewed on the screen.

Convenience

It is usual habit of consumer that some products which they purchased may not be comfortable to them. They want to return it. In online shopping consumer face the risk of convincing i.e. how to order and return the merchandise.

Non delivery risk

This is a risk which is faced by consumers while purchasing online. The consumer thinks that if he pays for goods that he bought and they are not delivered or if the goods that he bought are changed

Physical Risk

Physical risk associated with health and safety risk associated with product. There is always risk that as product cannot be seen, this may led to affect the health of consumer.

Psychological Risk

consumer face risk of stress due to not receiving the product according to features, financial risk and others risk. This affects the consumer's psychology.

Social Risk

Social risk means disappointment from friends and relatives due to poor product choice also loss of self-esteem, respect and ego. Social risk can be taken by consumer in different way i.e. positively or negatively.

Time Loss Risk

Time loss risk refers to the loss of time spent on product selection and the effort associated with poor product selection. There is also the possibility that the product you ordered will not be delivered on time.

Privacy Risk

In the case of online purchasing, there is a chance to leak all the information of a consumer which is given by him at the time of purchasing goods. The information includes financial information and personal information.

CONCLUSION

Online shopping is becoming more popular day by day with the increase in the usage of the WWW. Understanding customers' needs for online selling has become a challenge for marketers. Understanding the consumer's attitudes towards online shopping, making improvements in the factors that influence consumers to shop online, and working on factors that affect consumers to shop online will help marketers to gain the competitive edge over others. Therefore, our study has focused on 2 research questions 1) What is the process that consumers use to make purchasing decisions? 2) What are the traditional factors influencing physical store shopping and the factors influencing online shopping?

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