ORIGINAL RESEARCH PAPER

Social Science

PREDICATING CONSUMER BEHAVIOR IN ONLINE PURCHASE DECISION MAKING

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ABSTRACT

Consumer Behavior is the fundamental process of consumer psychology, which plays an important role in understanding how consumer make buying decision, though it is offline or online purchase decision making by consumer. Marketers must have to study and understand theory as well as reality of consumer behavior. How to attract consumers in this competitive environment is become a fundamental issue for offline and online retailer (web store). Identification and analysis of online buyer decision making process, stages of consumer behavior and factors influencing online consumer decision making process is the main object behind this study. It is important to study how consumer reacts on new technological and innovative marketing practices adopted by online retailer. This paper is an attempt to study the potential role of marketer in each stage of online buyer decision making process and important factors in buyer behavior during online purchase.

INTRODUCTION:

Consumer behavior is always a popular topic for marketing studies. It related with psychology of customer and factors influencing consumer behavior. How does a consumer make purchase decision in offline and online retailing? How do marketers analyze consumer decision making with respect to offline and online behavior? These two questions raise multiple thoughts about consumer characteristics and major factors influences buyer behavior.

The aim of the marketing is to meet the needs and wants of the targeted customers better than the competitor and profitably. Consumer behavior is the study of how individual consumer, group and community select, buy and use goods and services to satisfy their needs and wants. The consumers buying behavior has been always a hot marketing topic. The buyer decision making process is a set of five stage activity, follows by offline customers in case of physical stores. Problem Identification, Information search, Alternative evaluation, Purchasing decision, Post-purchase behavior (2002 Philip Kotler)

Consumers usually follow this five stage model for buying decision making. But consumers do not always follow all five stages in buying a product.

Online Retailing (Web-store): - The World Wide Web (WWW) and internet is the most significant development of IT. E-commerce converts traditional real-store transactions into electronic virtual-store transactions selling products and services to consumer's worldwide, thus changing consumer purchase behavior (Luo, 2003).

This study focuses to find out the behavioral stages of online consumer. It is an attempt to find out whether online buyer follows same stages while making purchase in offline or it differs.

Definitions:

Consumer behavior: is the study of how individual customer, group or organizations select, buy use and dispose ideas, goods and services to satisfy their needs and wants.

Offline purchase: consumers buy goods and services offline, means buying from traditional retail store as per their convenience.

Online purchase: consumers purchase goods and services from web-store with the help of using internet.

Review of Literature:

Li Na You & Qiao Ming Li (2016); A comparative study of online and offline consumer shopping related with perceived risk, impact of different risk on the behavior of consumer while shopping online and offline. Consumers tend to reduce perceived risk and he/she choose that option only through which they may reduce perceived risk.

Online Buying and Online Stores (Online store/ Web store): As compare to offline store/ physical store, online stores have too many benefits: these stores are convenient, time saving, no more travelling and no waiting in lines needed. These stores are open in 24 *7 and accessible all the time anywhere. Online stores have free access and rich source of information, product and services. Even they provide comparison tools to help for right decision making after comparing product or services of different web stores (2012,Mhd. Hossein javadi).

Perceived Risks

It is the amount to the nature and amount of risk perceived by a consumer while making an online purchase decision (Cox and Rich, 1964). Before purchase a product a consumer considers the various risks associated with purchase. These risks called as perceived or anticipated risks. The higher the perceived experience risk, the consumer may shift to Brick-and-Mortar retail for the purchase of the product. Whereas, the lower the perceived risk, the higher the possibility of online purchase (Tan, 1999). Risk perceived exist due to technology failure, human error, financial risk, product risk and convenience and non-delivery risk. The level of uncertainty surrounding the online purchase process influence consumers perception regarding the perceived risks (Bhatnagar et al. 2000)

Attitude

Study of consumer attitude is associated with consumers purchase behavior. Consumer attitudes are affected by intention. When this intention is applied to online shopping behavior, one can examine the outcomes of the purchase transaction (Jahng, jain & Ramamurthy, 2001).

Web Experience

Influencing online consumer's behavior and web experience-Addresses basic fundamental issues of online consumer behavior, and web experience elements influencing consumer behavior. Click-and-mortar firms delivering superior web experience influence the physical client's perception and attitude, driving addition traffic to web store (Efthymios Constantinides, 2004).

OBJECTIVES OF THE STUDY:

1. To study the online Buyer Decision Making Process.
2. To identify factors affecting the stages of online consumer decision making process

RESEARCH METHODOLOGY:

It is a review paper, 30 research papers and articles have been

studied. Thus descriptive research is conducted & research articles are studied from different secondary sources.

PROPOSED MODEL
Consumer Buying Behavioral in Online Purchase
The model used in this article is developed after the analysis and study of different research papers and with the help of five stage buyer behavior model developed by Philip Kotler (2000)
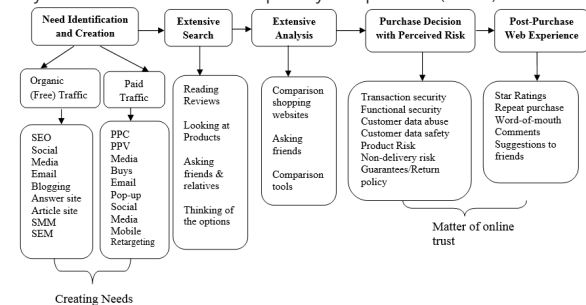
Five stage Online Consumer Buying Behavior Model
(Developed by Author)

1. *Need Identification To Need Creation*
The buying process begins when a buyer recognize a need. Need could be triggered by internal or external stimuli. With internal stimuli a person may feel to satisfy his basic needs like food, thrust, Sex, clothing etc. while external stimuli like he saw someone's car or mobile which triggered a thought about possibility of making a purchase.

In online process a buyer himself by his own stimuli may visit an online store using different platforms or search engines that is an organic (Free) traffic to a web-store. Organic traffic to a website is source of potential customer for its products and services, here web-store retailers need not to take any efforts to call buyer for buying; it's his own stimuli which drive him toward a particular web-store. Whereas paid traffic is an intentional effort to drive traffic to their web-store. It is an attempt to trigger buyer's internal and external stimuli and create a need to him. Meaning of marketing has been changed from **"Identification of Needs to Creation of Needs"**.

Organic and paid traffic are two power-full tools in the hands of online marketer to increase the traffic towards web-store. Even the best utilization of these tools creates needs amongst the customers.

2. *Extensive Search*
Today internet has change the entire process of information search. Each information source performs a different function in influencing the buyer decision. Commercial source perform an information function, whereas personal source perform an evaluation function. Customer's efforts in search of information lead him to communicate with friends, relatives, neighbors or visiting personally to store. Commercial sources bring information at doorstep and figure point with the help of advertising, website, mass media, consumer rating. Even E-mail, SMS, SMM are the rich source of information. The way web-retailer study, understand and analyze consumer online movement is really appreciable. Adware and spyware perform extra ordinary functions for virtual retailer. The tools like Google analytics provide extensive information about the costumer's, what they are doing online? These tools track the exact movement of online consumer. With the help of such tools marketer could provide and serve exact information for what the customer is searching? On the account of information search and provided, customer develop an awareness set by putting the products of his choice into shopping cart provided by web-store.

In online information search reviews by the other customers plays an important role out of 5 stars how much is the rating. A strong rating attracts the favorable intention of customers. Even information provided by the web-store make a sense of detailed

specification for the need satisfaction. No one is secured online, internet is tracking us. Customer online movement plays a vital role in the information search.

3. *Extensive Analysis*
How does consumer process information and make a final judgment? No single process of analysis used by all customers or by one single customer in all the buying situations. There are multiple processes of analysis used by customer while making a choice set out of his awareness set. At very first customer search for need satisfying product, then he goes looking for certain benefits from the product and at the last each product as benefit associated behind it to satisfy his needs.

4. *Purchase Decision with Perceived Risk*
In the analysis stage, consumer form preferences among the choice set, he may also form an intention to buy the most preferred brand. While making a final decision of purchase consumer may make up some additional decisions like choice of the web-store, quantity to be purchase, timing of purchase, payment method.

Online purchase involves high amount of perceived risk it includes Transaction Security means financial risk, threat to information theft of credit card/debit card, Customer data misuse, risk of non-delivery. Product risk involves product may not be as per the specification. Functional risk includes product may does not perform as per the expectations. Doubtful about guarantee and return policy, all these risks create a question mark over the trust on web-site.

Lack of human touch in online transaction is the fundamental issue behind trust on web-store. Now a day web-site with their interactive nature trying to build trust in online purchase and up to certain extent they seem to be successful. This trust creation is an attempt to reduce the perceived risk.

5. *Post-Purchase Web Experience*
A Web experience influences the online buyer behavior. It is customer's total impression about the online retailer. The Web experience embraces elements like searching, browsing, finding, selecting, comparing and evaluating information as well as interacting and transacting with online firm. A satisfied customer always makes positive word-of-mouth publicity, they always rate web-store with higher rating if they are satisfied with products or services they brought from the online retailer. Even a negative publicity may also happen when customer makes a negative comment and feedback about products and services of a web-retailer on web-site as well as social media when he feel unsatisfactory.

A satisfied customer suggests others about his value worth experience and may triggered traffic to same web-store. Even he might be a regular and repeat buyer for the same web-store may be for some different products or services.

Issues for further research
This model is developed with the help of a pool of research papers and articles. With respect to time and place the behavioral pattern may show some changes. Even this model could be tasted for special product and services also. The role and influence of web experience elements on the shopping behavior of customer in different stages of online buying process is a crucial part of study. Considering dynamic characteristics of the online marketplace, it is necessary that researcher attention must be focus on the way technology changes new form of communication, interaction and online experience affect the behavior of online consumer.

CONCLUSION
Consumer buying behavior and factors influencing the decision making process of online consumer has shows similarities as well as differences between online and offline customer. The uncontrollable factors are affecting behavior for both types of consumers. In case of offline consumer 4P's of the marketing mix are considered as the main controllable tools influencing the consumer behavior. Whereas in case of web consumer a set of

different factors experienced during virtual interaction are seems to be controllable factors affecting the online consumer behavior. This study identify the main important factors of web experience or online experience are as

- The interactivity of web site for it user friendly nature
- The psychological elements make impact on uncertainty, trust and credibility of online retailer.
- Marketing mix web presentation

These three set of factors of marketing tool are playing vital role for the success of e-marketer.

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