

Project Dissertation Report on
DETERMINANTS OF CONSUMER BUYING
BEHAVIOR THROUGH ONLINE
SHOPPING IN INDIA

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Declaration

I, **Pankaj Jain**, student of MBA 2016-2018 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declares that Project Dissertation Report on “**DETERMINANTS OF CONSUMER BUYING BEHAVIOR THROUGH ONLINE SHOPPING IN INDIA**” has been submitted for the partial fulfilment of Degree of Master of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge. This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

Pankaj Jain

Place:

Date:

Certificate from the Institute

This is to certify that the Project Report titled “**DETERMINANTS OF CONSUMER BUYING BEHAVIOR THROUGH ONLINE SHOPPING IN INDIA**”, is a bona fide work carried out by Mr. Pankaj Jain of MBA 2016-2018 and submitted to Delhi School of Management, Delhi Technical University, Bawana Road, Delhi-42 in partial fulfilment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide
(Prof. Maheshwari)

Signature of Head(DSM)
(Dr. Rajan Yadav)

Place:

Date:

Acknowledgement

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Place:

Date:

Executive summary

The growing use of Internet in India provides a developing prospect for online shopping. If E-marketers know the factors affecting online Indian behavior and the relationships between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existing online customers.

This project is a part of study, and focuses on factors which online Indian buyers keep in mind while shopping online. This research found that information, perceived usefulness, ease of use; perceived enjoyment and security/privacy are the five dominant factors which influence consumer perceptions of Online purchasing.

Consumer behavior is said to be an applied discipline as some decisions are significantly affected by their behavior or expected actions. The two perspectives that seek application of its knowledge are micro and societal perspectives.

The online buying behavior of online shoppers and factor influencing online buying behavior and its future perspective. Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets.

Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers.

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CHAPTER 1 - INTRODUCTION

“Consumer is the sole end and purpose of all production; and the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer.”

- Adam Smith

The growing interdependence of the world economy and international character of many business practices have contributed to the development of universal emphasis on consumer. Modern technological developments have no doubt made a great impact on the quality, availability and safety of goods and services. A consumer person who purchases or ultimately consumes goods and services. Growing practice of electronic transactions includes both e-commerce and e-consumers.

Internet is changing the way consumers shop and buys goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Even Government institutions have started replacing their paper work. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers.

Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. Although most of the revenue of online transactions comes from business-to-business commerce, the practitioners of business-to-consumer commerce should not lose confidence.

It has been more than a decade since business-to-consumer E-commerce first evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace. Along with the development of E-retailing, researchers continue to explain E-consumers' behavior from different perspectives. Many of their studies have posited new emergent factors or assumptions which are based on the traditional models of consumer behavior, and then examine their validity in the Internet context.

Online shopping is definitely a great way to shop with everything available on the websites from clothes, gift items, food, home needs, medicines, and many more, this mode of shopping allows one to shop conveniently without hassle on spending hours in a supermarket or shopping areas. The Internet with its wide array of information nooks, allows the customer to go through various reviews of the product or service before actually heading for purchases. These online shopping websites also have daily deals for the customer looking for discounts and store offerings. Profits and growth can be sustained only by adopting ethical methods of doing business.

Most of the products or services which consumers buy or pay for, are durables and services. Rather than earning short term profit, the focus should be more on achieving long term goals. Consumer behavior is said to be an applied discipline as some decisions are significantly affected by their behavior or expected actions. The online purchasing behavior of online shoppers and factor influencing online shopping behavior and its future perspective.

Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities the will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. A consumer before buying any product online, he will check the authenticity of the online shopping website as how much the site is trustworthy and reliable as in online shopping the consumer or buyer is not able to see the seller and cannot check the product until it has been delivered to him.

1.1 Online Retail industries in India

In the upcoming years, e-commerce is expected to boom in the Asian region. The number of digital buyers in Asia Pacific is projected to pass the one billion mark for the first time in 2018, which will account for 60 percent of all internet users in the region. In line with the regional growth, India, a fast-growing emerging Asian market, shows optimistic projections for the e-commerce industry. Current active e-commerce penetration in India stands only 28 percent, with lots of room for improvement - India's retail e-commerce CAGR is projected to reach 23 percent from 2016 to 2021.

Close to 329.1 million people are projected to buy goods and services online in India by 2020. This means that about 70.7 percent of internet users in India will have purchased products online by then. The majority of digital shoppers in India are male. This growth in volume of digital buyers has a reflection on revenue as well. Retail e-commerce sales in India are forecast to grow tremendously, with projections to jump from around 16 billion U.S. dollars in 2016 to just over 45 billion U.S. dollars in 2021. In 2016, Amazon.in was the leading online store in India with net e-commerce sales of 437.7 billion U.S. dollars, followed by local competitors Flipkart and Snapdeal.

Mobile is also a profitable and promising shopping platform for the retail industry in India. In fact, about 23 percent of Indian internet users stated that they used a mobile phone for making a purchase in 2016. This places India as one of the leading digital markets for mobile e-commerce penetration. About 27 percent of digital buyers in the country stated making an online purchase via their smartphones/mobile on a monthly basis, and 24 percent stated purchasing online goods and services weekly. About 71 percent of consumers in India also said mobile wallet is their preferred method of digital payment. In terms of value, sales from mobile retail e-commerce are projected to generate 63.5 billion U.S. dollars in revenue by 2020.

Recent developments in the online retail industry

India in the recent years has been experiencing an exponential growth in e-commerce and there are new companies springing up at a rapid rate. E-commerce had a standout

year in 2017, when it grew in size from \$5 Billion to \$8 Billion and pervaded every aspect of our lives. In 2017, it grew further. The industry is set to become more ‘m’, or mobile, than ‘e’ commerce. M-commerce has been and will be the inevitable trend of modern times. That means more users. No doubt, more users will help companies build scale, but they will embrace a few changes themselves.

Companies will go after profitable growth rather than wooing customers with deep discounts (in other words, running on losses). A bigger user base will just be the cue for companies to reduce discounts and focus on profitable growth. “Building scale won’t be a challenge for the large players,” says Sandeep Aggarwal, founder, Shopclues. Six of the largest e-commerce players- Flipkart, Amazon India, Snapdeal, eBay.in and Shopclues- together have about 85-90% of the e-commerce business in India. Cash on Delivery (COD), a preferred mode of payment for many customers, will decline as more and more people familiarize themselves with using payment wallets to shop and pay bills. Companies will have their hands full as more users come on board, but they will be up to the task of serving the needs of customers. That will lead to the emergence of new categories of services – like delivering even milk and water – which Paytm founder Vijay Shekhar Sharma believes “will replace the neighborhood store.” “You won’t need to step out to shop.”

Brick-and-mortar will not disappear, but “there’ll be more fusion between online and offline services,” he adds. Here is a tantalizing possibility of how this and then walk down to the store to pick up the product selected. “Self-logistics will be an option,” says Sharma. Shopclues’ Aggarwal says the ecosystem is healthier and is maturing. “There will be higher adoption of m-commerce and mobile wallets.” E-commerce will make inroads into rural areas. Traditional business houses such as Reliance Industries and Tata Group will enter the business more aggressively. One key challenge will be logistics as there is no large-scale player that covers the whole country cost effectively.

Government laws & regulations on online retail

In a boost to retailers and grocery start-ups such as Bigbasket and Grofers, the government allowed 100% FDI in food retail, including through e-commerce, provided such items are produced, processed or manufactured in the country.

This will allow multi-brand retail giants such as Walmart to look at their food business here closely and perhaps even foray into B2C food retail. Currently, the US giant operates a B2B business here since FDI in multi-brand retail is not allowed. The US retailer has built a strong backend infrastructure in food. Similarly, the move will help Indian hyper-local grocery start-ups raise funds more easily.

"The decision by the government to allow up to 100% foreign direct investment (FDI) through FIPB in marketing of food products produced or manufactured in India, including through e-commerce, is very progressive and will help in reducing wastage, helping farm diversification and encourage industry to produce locally within the country. This far-reaching reform will benefit farmers, give impetus to food processing industry and create vast employment opportunities. We will study the policy document when government finalizes and issues it," said a Walmart India spokesperson.

The decision comes without any riders, department of industrial policy and promotion secretary Ramesh Abhishek said. The food processing ministry wanted the food retailers to mandatorily invest in back-end infrastructure besides being allowed to sell some non-food goods. DIPP said that the e-commerce marketplace may provide support services to sellers in warehousing and logistics.

However, such entities will not exercise ownership over the inventory. "Such an ownership over the inventory will render the business into inventory-based model," it said in a press note. As per the norms, an e-commerce firm will not be permitted to sell more than 25 per cent of total sales from one vendor or its group companies. "E-commerce entities providing marketplace will not directly or indirectly influence the sale price of goods or services and shall maintain level playing field," it added.

This may require some of the existing players to alter their structures. “The cap of 25% on sales by a vendor on marketplace will ensure a broad basing of vendors for a true marketplace. This may require some of the operators to go back to the drawing board to ensure compliance,” Mr. Gupta added.

Marketing strategies adopted by online retail industries

E-Commerce Partners offers comprehensive programs to boost your online business and develop a tailored online marketing strategy that works best for you. In a fast-paced, ever-changing online retail world, there is no single set of rules that apply to all. We know your goal is to stand out from the pack and maximize sales, and therefore our goal is to understand what makes your online store unique, and then implement the best strategy to help you gain more visibility and attract the right shoppers.

A tailored marketing strategy at E-Commerce Partners begins with understanding how your business works -- including your industry and competition. We make sure to become familiar with more than just what product and services you are selling, but rather, identify where are your strong areas and 'sweet spots', and subsequently help your website become more attractive to qualified potential clients. Once we have a firm grasp on your industry and business, we are able to recommend the best methods of driving potential customers to your site.

Every great marketing strategy also starts with understanding your audience. Simply driving traffic to your site is not enough. While we believe traffic is important, it is conversions and transactions that we focus on – showing why someone looking for a particular product or service should buy it from you over your competitors.

New products require a specialized internet marketing strategy that focuses on building awareness. For example, if you're a pioneer in your field, we would design a solution to create presence for your new product online and get in front of audiences who may not be actively looking for your product yet. Also, we will look for where your potential clients are by targeting them when they visit other sites, not necessarily when they are actively searching for a product.

Well established products require a different strategy: standing out above the pack and making sure the entire process flows smoothly. For products like these we can use tools ranging from Google product search optimization and local search optimization, to various pay-per-click, email, and display campaigns.

E-Commerce Partners improves your return on investment (ROI) by taking a hands-on approach to deliver the internet marketing strategy your business will most benefit from. And as the internet changes, we adjust and integrate new tools that are available for your business, ranging from search marketing to behavioral targeting to social media presence. We may utilize various approaches, including SEO, viral ads, and Twitter to name a few. All these techniques are changing how information is posted on the internet and how people can find your business online.

Here are the pillars of our internet marketing strategy:

- Understanding your business and what makes you unique in your industry.
- Determining whether your website capabilities and positioning are in sync with your marketing goals.
- Building online awareness for your brand, products, and services.
- Driving traffic to your website, through SEO, Local Search Optimization, Google Base, online advertising, referrals, social media, and other online resources.
- Converting visitors to paying customers by identifying the target audience that will be interested in what you have to offer, and optimizing the experience for them.
- Analyzing at the results and continuously looking for ways to improve the campaign.

Online shopping sites

1. SNAPDEAL.COM

Snapdeal is an e-commerce company based in India. It is a daily deals' website that features discount offers across lifestyle segments such as dining, health & beauty,

entertainment and travel. It also offers discounts on products like electronics, perfumes, watches, bags, sunglasses, apparels and mobile phones.

Headquartered in Delhi, Snapdeal.com was launched in February 2010. The company was founded by Kunal Bahl, a Wharton graduate and Rohit Bansal, alumnus of IIT Delhi who are friends since school. They had agreed that after finishing their studies and gaining required work experience, they would start a project of their own.

Snapdeal.com serves as an advertising platform for merchants and a discount platform for customers. For the merchants who partner with Snapdeal, it is a cost-effective channel for acquiring new customers. It also works as a risk-free alternate marketing channel. From the merchant's standpoint, they are passing on the customer acquisition cost in the form of a discount offer.

PRODUCT CATEGORIES PROVIDED BY SNAPDEAL.COM

- Mobiles & Accessories
- Men's & Women's Apparel
- Watches, Bags & Accessories
- Electronics & Cameras
- Computers & Peripherals
- Perfumes, Beauty & Health
- Jewelry
- Books & Movies
- Footwear
- Home, Kitchen & Appliances

Terms of Sale, Website Terms of Use, Privacy Policy

This 'User Agreement', which is intended to be a legally binding contract between you and us, contains the following:

Terms of Sale: this governs your purchase and use of the coupons/vouchers.

Website Terms of Use: this governs the access and use of the Website.

Privacy Policy: this governs the use of your personal information we collect.

You agree that you are of legal age to enter into binding contracts, have read, understood and are bound by the User Agreement. If you do not want to be bound by this User Agreement, you should not use this Website or conduct any sale/purchase transaction.

References to "you", "User" shall mean the end user accessing the Website, its contents and using the Functionalities offered through the Website, "Service Providers" mean independent third party service providers or merchants, and "we", "us", "Jasper InfoTech" and "our" shall mean Jasper InfoTech Pvt. Ltd.

2. AMAZON.COM

Amazon.com is an American multinational electronic commerce company with headquarters in Seattle, Washington, United States. It is the world's largest online retailer. The company also produces consumer electronics - notably the Amazon Kindle e-book reader - and is a major provider of cloud computing services.

Amazon has separate retail websites for the following countries: United States, Canada, United Kingdom, Germany, France, Italy, Spain, Japan and China, with international shipping to certain other countries for some of its products. It is also expected to launch its websites in Poland, Netherlands and Sweden. Jeff Bezos incorporated the company (as Cadabra) in July 1994, and the site went online amazon.com in 1995.

Amazon.com started as an online bookstore, but soon diversified, selling DVDs, CDs, MP3 downloads, software, video games, electronics, apparel, furniture, food, toys, and jewelry. The company was founded in 1994, spurred by what Bezos called his "regret minimization framework", which he described as his effort to fend off regret for not staking a claim in the Internet gold rush. Bezos wanted a name for his company that began with "A" so that it would appear early in alphabetic order. He began looking through the dictionary and settled on "Amazon" because it was a place that was "exotic

and different" and it was the river he considered the biggest in the world, as he hoped his company would be. Since 2000, Amazon's logotype is an arrow leading from A to Z, representing customer satisfaction. A goal was to have every product in the alphabet.

PRODUCT CATEGORIES PROVIDED BY AMAZON.COM

- Books
- Movies, Music & Games
- Electronic & Computers
- Home, Garden & Tools
- Pet Products
- Grocery, Health & Beauty
- Kitchen & Dining
- Furniture & Decor
- Toy, Kids & Baby
- Clothing, Shoes & Jewelry
- Sports & Outdoors, Automotive & Industrial

Terms of Use

This is an agreement between the consumer and amazon digital services, inc. before using the amazon games and software downloads service (the "games and software service"), please read these terms of use, all rules and policies related to the games and software service (including, but not limited to, any specific rules or usage provisions specified on any applicable product, application or service detail page or in any link from a detail page), the amazon.com privacy notice at <http://www.amazon.com/privacy> and the amazon.com conditions of use at <http://www.amazon.com/conditionsofuse> (collectively, this "agreement"). If you use the games and software service, you will be bound by the terms of this agreement.

Terms and Conditions

Each item in your order is sold by Amazon Export Sales, Inc. ("Amazon Export") or the merchant that the item is specified as sold by ("Merchant"). Those items for

shipment to countries outside of the U.S. may be subject to taxes, customs duties and fees levied by the destination country ("Import Fees"). The recipient of the shipment is the importer of record in the destination country and is responsible for all Import Fees.

3. EBAY.COM

EBay is an American multinational internet consumer-to-consumer corporation that manages eBay.com, an online auction and shopping website in which people and businesses buy and sell a variety of goods and services worldwide. Founded in 1995, eBay is one of the notable success stories of the dot-com bubble; it is now a multi-billion-dollar business with operations localized in over thirty countries.

EBay expanded from its original "set-time" auction format to include "Buy It Now" standard shopping; shopping by UPC, ISBN, or other kind of SKU; online classified advertisements; online event ticket trading; online money transfers and other services. The online auction website was founded as Auction Web in San Jose, California, on September 5, 1995, by French-born Iranian-American computer programmer Pierre Omidyar as part of a larger personal site that included, among other things, Omidyar's own tongue-in-cheek tribute to the Ebola virus. One of the first items sold on eBay was a broken laser pointer for \$14.83.

Astonished, Omidyar contacted the winning bidder to ask if he understood that the laser pointer was broken. In his responding email, the buyer explained: "I'm a collector of broken laser pointers. "The frequently repeated story that eBay was founded to help Omidyar's fiancée trade Pez candy dispensers was fabricated by a public relations manager in 1997 to interest the media, which were not interested in the company's previous explanation about wanting to create a "perfect market". This was revealed in Adam Cohen's 2002 book, *The Perfect Store*, and confirmed by eBay.

PRODUCT CATEGORIES PROVIDED BY EBAY.COM

- Fashion
- Motors

- Electronics
- Collectibles & Art
- Home, Outdoors & Décor
- Entertainment
- Deals & Gifts
- Sporting Goods

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These Terms and Conditions are between you, the registered user of www.ebay.in ("eBay.in") who wish to buy the goods as appearing in the listing on this webpage of eBay. in Global Easy Buy Micro Site ("Listed Goods") and i2c World Inc., a company incorporated under the laws of United States of America having its principal place of business at 59 West 37 Street, New York New York 10018, USA (hereinafter referred to as "International Reseller") and governs Your purchases of Listed Goods from International Reseller on eBay. in Global Easy Buy Micro Site and related payments for the same using Paisa Pay Facility on eBay. in.

4. FLIPKART.COM

Flipkart is an Indian e-commerce company headquartered in Bangalore, Karnataka. It was started by two IIT graduates, Sachin Bansal and Binny Bansal, in the year 2007. They were working in Amazon.com previously. Earlier, Flipkart mainly dealt with books but now, it has expanded to electronic goods and a variety of other products.

Flipkart was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology Delhi. They worked for Amazon.com before quitting and founding their own company. Initially they used word of mouth marketing to popularize their company. A few months later, the company sold its first book on flipkart.com—John Woods' Leaving Microsoft to Change the World. Today, as per Alexa traffic rankings, Flipkart is among the top 30 Indian Web sites and has been credited with being India's largest online bookseller with over 11 million titles on offer. Flipkart broke even in March 2010 and claims to have had at least 100% growth the very

quarter since its founding. The store started with selling books and in 2010 branched out to selling CDs, DVDs, mobile phones and accessories, cameras, computers, computer accessories and peripherals, and in 2011 Pens & stationery, other electronic items such as home appliances, kitchen appliances, personal care gadgets, health care products etc. Further in 2012, Flipkart added A.C, Air coolers, School supplies, Office supplies, Art Supplies & life style products to its product portfolio. Today, Flipkart employs over 4500 people.

PRODUCT CATEGORIES PROVIDED BY FLIPKART.COM

- Books
- Mobiles & Accessories
- Computers
- Gaming
- Movies, Music & TV Shows
- TV, Video, CDs, DVDs, Vinyl & MP3 Players
- Personal & Health Care
- Home & Kitchen
- Pens & Stationary
- Fragrances

Terms & Conditions

This Agreement contains the complete terms and conditions that apply to an individual's or entity's participation in the Flipkart.com (A unit of WS Retail Services Pvt. Ltd) Associates Program (the "Program"). As used in this Agreement, "we", "us", or "our" means WS Retail Services Pvt. Ltd or any of our affiliate companies, as the case may be, and "you" means the applicant. "Flipkart Site" means, collectively, the flipkart.com web site. "Your site" means any site that you will link to the Flipkart Site (and which you will identify in your Program application).

Factors affecting online shopping

Online shopping becomes relevant in the last decade. The kind of business online retailer are doing is proof enough that they are providing some benefits to customer which offline shopping does not give to the customer.

These are the factors affecting online shopping:

Risk: When customer buy products from online shopping they do not touch or feel the product in a physical sense. Hence we understand that lot of risk is involve while buying an online product whether it will reach us on proper time or not is also a concern and also there may arise a risk of product size and color as it may differ in real view or sense. Sometimes the product ordered is kind of damaged.

Convenience: Online shopping is much more convenient than offline shopping. Instead of taking out your vehicle and visit shop to shop you can just sit at your home and do the shopping. It is convenient to sit at one place and shop the product of our choice without moving from place to place. Once you have decided on what you want to buy the payment process is seamless and the order is delivered to your place. Online shopping makes things more convenient. We can have a lot of choice over there in any kind of material we want to deal with that too without any fear of dealing with any dealer or distributors. Online shopping is convenient in its real sense as it does not carry any dealing with issues of asking for wanted items or issues of asking for desired kind of items which helps in avoiding the part of waiting, asking, questioning about the product.

Anxiety: People's anxiety of exploring the sites and experimenting over them is also a matter of concern. Sometimes people those who are not very known to any sites like Flipkart, Myntra or any sites they just feel like it's a tough kind of activity over net and its complicated in their sense as they are not very fond of doing online shopping as it takes a time to even understand the product about its details. This particular activity makes them irritated and anxieties over any kind of fatal online dealing.

Previous online experience: How has been a person's experience in past as far as online shopping is concerned is a major story of concern. Previous experience is what

matters actually as its hamper or sometime it keeps good view or mood of people. There are two experiences one is about good and another is about bad. Both has its own and different affect in the mind of buyers. So these factors also influence online shopping or e-shopping.

Pricing Policy: Online retailers gets an inherent advantage in pricing as they don't have to bear expenses like store rent, bills etc. They can pass their price directly to customer and generally offer a lower price to customer than offline market. Even when shipping charges are included than also it is better than the offline shopping. Hence, determines the level of online shopping. Lower the price- higher the mood to demand, higher the price –lower the demand. Price of any commodity also influences the purchasing power of any specific buyer. Consumer generally prefer mild or normal price with good quality and do not want to spend or expense lot for any kind of stuff. So buying and selling both are simultaneously affected by the price of product.

Quality: The quality of product at online sites and offline stores vary a lot and then this determines the frequency of online shopping. Quality also carries good affecting nature over any kind of shopping. As consumer or buyer want to have a good quality of product as they spent their huge sum of money. In general, qualities are a primary need over any kind of purchasing as it somewhat secure or give a good sense of buying or kind of guarantee about the product preferred.

Online trust: It depends on customer perception whether they trust a particular site and its product and services. Hence the frequency of online shopping also depends upon whether they trust a particular site or not. People are different in their nature and thoughts; some kind of people trust online dealing some kind of people are in fear of online dealing. Trust carry a lot of points examples- trust about the same product size quantity weight and security etc.

Tangibility of the product: At the store the customer gets to touch and feel the product they purchase before buying which help the customer to take the decision to buy the product or not whether the product will suit the customer need or not. Whether,

we can and see feel a product is also a reason which determines whether a person's wants to go for shopping or not. Tangibility of any product also determines the online shopping. Without touching the preferred or desired substance nobody can get its security about the worthiness or quality or sense of any preferred product.

Delivery time: The product ordered by the customer in online shopping takes a minimum of six to seven days to deliver the product to the customer. But in offline shopping the possession of the goods is immediately transferred to the buyer. So this is a major factor which affects the online shopping. People want a good delivery time; they prefer to get a product in a desired time or in short time of duration. Duration is the second major factor affecting the demand of product.

Income: The person whose income is more, do more online shopping as compared to the person whose income is less. Income plays a major role to purchase online products. Higher income people prefers to purchase online more than offline as it gives them reliability and convenient. Higher the income higher wills the purchasing of online product and vise-versa.

Taste and preference: The taste and preference of the customer vary from customer to customer and time to time, taste and preference also a factor which influences online shopping. Taste and preference of age group also matters in online shopping. Old people buy or purchase product for their kind of use. Young generation or teenagers use to purchase their taste of product. Taste and preference move in tend of ages and choices. Every customer or buyer choices are different in nature as per their ages.

Information: The information given in the site may not be correct or may not be appropriate information. The full information about the quality of the product may not reach to the customer. Hence it will affect the online buying of the customer. Information provided by the preferred sites may be not the same about the detail of the product. May be with the provided information and details customers are not very satisfied. Sometimes it happens that even many customers use to buy the product after their full knowledge of details as they prefer the detail are accurate and good in sense.

Information related to product may vary in its real sense when it arrives or delivered to relevant customer.

Variety: The kind of variety that a customer gets online is hard to match any product purchased offline. The online retailer's stock products from the entire major brand and a customer can find any product in their listing no matter how hard to find it is in the offline store. Online and offline both shopping provides variety of range from various brands. Variety in it itself is the foremost dealing factor which influence the market. Larger the variety of product in shop higher the selling and vice-versa. People generally prefer to move where they get more variety of products.

Discreet shopping: While buying some products like lingerie customers don't feel comfortable to purchase it in offline store. Shopping online is discreet and some online portals also provide discreet shopping. Purchase of girly material are very convenient in offline shopping as it is not dealt with any kind of uncomfortable situation. There is no person to who is to ask for any kind of intimate product, customer can easily cope with offline as they can go and purchase their usable items without any kind of hesitations.

Offers: Apart from offering products at lower price most online shopping regularly come up with discount offers in association with bank, brand etc. Which entail customer to get additional saving while buying products online? Offline stores only give offer or discount during stock clearance or when the manufactures give the discount on the products. Online shopping always provides offers at all the time and day. In every purchase we get some offers even if there is no festival or carnivals. Offers are a great factor which attract customer to purchase online. Offer carry a great influence in shopping.

Instant gratification: Customer buying offline gets their products as soon as they pay for it but in online shopping customer have to wait for their product to get their product. Under normal circumstances waiting a day or two does not matter much but when a customer wants to get the product instantly than offline shopping become necessary.

Available product and services: Online shopping offer customers more benefit by providing more variety of goods and services that they can choose from. There are some goods which a customer can only find online.

1.2 Introduction of consumer buying behavior

Consumer behavior is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that precede or follow these activities. Consumer behavior emerged in the 1940s and 50s as a distinct sub-discipline in the marketing area. Consumer behavior is an inter-disciplinary social science that blends elements from psychology, sociology, social anthropology, ethnography, marketing and economics, especially behavioral economics. It examines how emotions, attitudes and preferences affect buying behavior.

Characteristics of individual consumers such as demographics, personality lifestyles and behavioral variables such as usage rates, usage occasion, loyalty, brand advocacy, willingness to provide referrals, in an attempt to understand people's wants and consumption are all investigated in formal studies of consumer behavior. The study of consumer behavior also investigates the influences, on the consumer, from groups such as family, friends, sports, reference groups, and society in general.

The study of consumer behavior is concerned with all aspects of purchasing behavior - from pre-purchase activities through to post-purchase consumption, evaluation and disposal activities. It is also concerned with all persons involved, either directly or indirectly, in purchasing decisions and consumption activities including brand-influencers and opinion leaders. Research has shown that consumer behavior is difficult to predict, even for experts in the field. However, new research methods such as ethnography and consumer neuroscience are shedding new light on how consumers make decisions.

Customer relationship management (CRM) databases have become an asset for the analysis of customer behavior. The voluminous data produced by these databases enables detailed examination of behavioral factors that contribute to customer re-purchase intentions, consumer retention, loyalty and other behavioral intentions such as the willingness to provide positive referrals, become brand advocates or engage in customer citizenship activities. Databases also assist in market segmentation, especially behavioral segmentation.

Buying decision process

The buying decision process is the decision-making process used by consumers regarding market transactions before, during, and after the purchase of a good or service. It can be seen as a particular form of a cost–benefit analysis in the presence of multiple alternatives.

When purchasing a product there are several processes, which consumer go through. These are:

1. Problem/need-recognition

Problem/Need-recognition is the first and most important step in the buying decision. Without the recognition of the need, a purchase cannot take place. The need can be triggered by internal stimuli (e.g. hunger, thirst) or external stimuli (e.g. advertising). Maslow held that needs are arranged in a hierarchy. According to Maslow's hierarchy, only when a person has fulfilled the needs at a certain stage, can he or she move to the next stage. The problem must be the products or services available. It's how the problem must be recognized.

2. Information search

The information search stage is the next step that the customers may take after they have recognized the problem or need in order to find out what they feel is the best solution. This is the buyer's effort at searching the internal and external business environments to identify and observe sources of information related to the focal buying decision. The field of information has come a long way in the last forty years, and has

enabled easier and faster information discovery. Consumers can rely on print, visual, and/or voice media for getting information.

3. Evaluation of alternatives

At this stage, consumers evaluate different products/brands on the basis of varying product attributes, and whether these can deliver the benefits that the customers are seeking. This stage is heavily influenced by one's attitude, as "attitude puts one in a frame of mind: liking or disliking an object, moving towards or away from it". Another factor that influences the evaluation process is the degree of involvement. For example, if the customer involvement is high, then he/she will evaluate a number of brands; whereas if it is low, only one brand will be evaluated.

4. Purchase decision

This is the fourth stage, where the purchase takes place. According to Kotler, Keller, Koshy and Jha, the final purchase decision can be disrupted by two factors: negative feedback from other customers and the level of motivation to comply or accept the feedback. For example, after going through the above three stages, a customer chooses to buy a Nikon D80 DSLR camera. However, because his good friend, who is also a photographer, gives him negative feedback, he will then be bound to change his preference. Secondly, the decision may be disrupted due to unanticipated situations such as a sudden job loss or the closing of a retail store.

5. Post-purchase behavior

These stages are critical to retain customers. In short, customers compare products with their expectations and are either satisfied or dissatisfied. This can then greatly affect the decision process for a similar purchase from the same company in the future, mainly at the information search stage and evaluation of alternatives stage. If customers are satisfied, this results in brand loyalty, and the information search and evaluation of alternative stages are often fast-tracked or skipped completely. As a result, brand loyalty is the ultimate aim of many companies.

On the basis of either being satisfied or dissatisfied, a customer will spread either positive or negative feedback about the product. At this stage, companies should carefully create positive post-purchase communication to engage the customers.

Also, cognitive dissonance (consumer confusion in marketing terms) is common at this stage; customers often go through the feelings of post-purchase psychological tension or anxiety. Questions include: "Have I made the right decision?", "Is it a good choice?", etc.

Factors affecting consumer buying behavior

1. CULTURAL FACTORS

Consumer behavior is deeply influenced by cultural factors, such as buyer's culture, subculture and social class.

- **Culture**

Essentially, culture is the share of each company and is the major cause of the person who wants and behavior. The influence of culture on the purchasing behavior varies from country to country, therefore sellers have to be very careful in the analysis of the culture of different groups, regions or even countries.

- **Subculture**

Each culture has different subcultures, such as religions, nationalities, geographical regions, racial, etc. marketing groups may use these groups, segmenting the market in several small portions. For example, marketers can design products according to the needs of a specific geographical group.

- **Social Class**

Every society has some kind of social class is important for marketing because the buying behavior of people in a particular social class is similar. Thus marketing activities could be adapted to different social classes. Here we should note that social

class is not only determined by income, but there are several other factors such as wealth, education, occupation etc.

2. SOCIAL FACTORS

Social factors also influence the purchasing behavior of consumers. Social factors are: the reference groups, family, the role and status.

- **Reference groups**

Reference groups have the potential for the formation of an attitude or behavior of the individual. The impact of reference groups varies across products and brands. For example, if the product is visible as clothing, shoes, car etc., the influence of reference groups will be high. Reference groups also include opinion leader (a person who influences others by his special skill, knowledge or other characteristics).

- **Family**

Buyer behavior is strongly influenced by a family member. So vendors are trying to find the roles and influence of the husband, wife and children. If the decision to purchase a particular product is influenced by the wife of then sellers will try to target women in their ad. Here we should note that the purchase of roles changes with changing lifestyles of consumers.

- **Roles and Status**

Each person has different roles and status in society in terms of groups, clubs, family, etc. organization to which it belongs. For example, a woman working in an organization as manager of finance. Now she is playing two roles, one of the chief financial officer and the mother. Therefore, purchasing decisions will be influenced by their role and status.

3. PERSONAL FACTORS

Personal factors may also affect consumer behavior. Some of the important factors that influence personal buying behavior are: lifestyle, economic status, occupation, age, personality and self-esteem.

- **Age**

Age and life cycle have a potential impact on the purchasing behavior of consumers. It is obvious that consumers change the purchase of goods and services over time. Family life cycle consists of different stages as young singles, married couples, unmarried couples etc. that help marketers to develop suitable products for each stage.

- **Occupation**

The occupation of a person has a significant impact on their buying behavior. For example, a marketing manager of an organization is trying to buy business suits, while a low level worker in the same organization buy-resistant clothing work.

- **Economic situation**

Economic situation of the consumer has a great influence on their buying behavior. If income and savings a customer is high, then going to buy more expensive products. Moreover, a person with low income and savings buy cheap products.

- **Lifestyle**

Lifestyle clients is another factor affecting import purchasing behavior of consumers. Lifestyle refers to the way a person lives in a society and express things in their environment. It is determined by the client's interests, opinions, etc and activities shapes their whole pattern of acting and interacting in the world.

- **Personality**

Personality changes from person to person, time to time and place to place. Therefore, it can greatly influence the buying behavior of customers. In fact, personality is not what one has, but is the totality of the conduct of a man in different circumstances. Has different characteristics, such as dominance, aggression, confidence etc that may be useful to determine the behavior of consumers to the product or service.

4. PSYCHOLOGICAL FACTORS

There are four major psychological factors which are as follows:

- **Motivation**

The level of motivation also affects the purchasing behavior of customers. Each person has different needs, such as physiological needs, biological needs, social needs, etc. The nature of the requirements is that some are more urgent, while others are less pressing. Therefore, a need becomes a motive when it is most urgent to lead the individual to seek satisfaction.

- **Perception**

Select, organize and interpret information in a way to produce a meaningful experience of the world is called perception. There are three different perceptual processes which are selective attention, selective distortion and selective retention. In the case of selective attention, sellers try to attract the attention of the customer. Whereas in case of selective distortion, customers try to interpret the information in a way that supports what customers already believe. Similarly, in the case of selective retention, marketers try to retain information that supports their beliefs.

1.3 Objective of the study

The objective of this research study is to investigate online consumer behavior, which in turn provides E-marketers with a constructional framework for fine-tuning their E-businesses' strategies.

The specific objectives of this research are:

1. To know the consumer's awareness about online shopping.
2. To know the various factors which motivate a consumer towards online shopping
3. To know the kind of goods they purchase online
4. To know the problems they face during online shopping

CHAPTER 2 - LITERATURE REVIEW

The extensive literature review has been conducted to gain deeper understanding of research about online customer and their experience. The review clarifies and simplifies the dominant dimension consumer consider when they make any online purchase decision. Following this, the major theoretical gap related to understanding what and why consumers do, and do not purchase using the Internet is explored with respect to the theories of retail change and consumer behavior theory with particular reference to the buying decision process. More specifically, the study examined the interrelationships among quality, value, satisfaction, and loyalty when consumers choose to shop online.

CONSUMER BUYING BEHAVIOR

Solomon (1998) studied the Consumer Behavior and said that it is the study of the processes involved when an individual select, purchases, uses or disposes of products, services, ideas, or experiences to satisfy needs and desires. In view for the Internet to spread out as a retail channel, it is imperative to realize the consumer's mind-set, intention and conduct in light of the online buying practice.

Donthu and Garcia (1999) proposed that risk aversion, innovativeness, brand consciousness, price consciousness, importance of convenience, variety-seeking propensity, impulsiveness, attitude toward adverting, attitude toward shopping, and attitude toward direct marketing would influence online shopping behavior.

Andrew and Currim (2000) focused on expected differences in choice, behavior of consumer for two products categories, statistically significant difference are found between consumers attracted to shopping online versus traditional super market with regards to parameters describing the choice process. The study found that correlated to traditional supermarket consumers, online shopping are less price sensitive, prefer larger size to smaller sizes, have stronger size faithfulness. The consumer does more broadcasting choice set effects.

Chaing and Roy (2003) focused on the consumer choice to shop on the internet and at the physical stores during the information acquisition period. A convenience sample of 34 students enrolled in undergraduate marketing class to select the product for testing, 56 products were developed based on the popularity of online shopping. The result shows that the consumer perceives shopping offline as inconvenient, online shopping intention was expected to be greater for search products than experience product.

Vijay, Sai. T. & Balaji, M. S. (May 2009), revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

Riley et.al (2009) addressed to know why the people and from where they get influence to purchase grocery from online shopping. This research aims to know the role of all the factors which are situational in the process of adaption of grocery shopping from online. Qualitative research is carried out by the researcher which helps the researcher to gain the knowledge about the depth of the consumer of grocery product and their behavior. Researcher also includes the quantitative method in his research to find the factors which influence them to purchase grocery from online shopping. By merging both the qualitative and quantitative study the researchers find the importance of the specific type of institution. Many shoppers are found that they start discontinuing the online shopping of grocery once there initial point of shopping of grocery created a problem for them they stop doing online shopping.

Jimenez and Martín (2009) examined on the comparison of the difference that exist between the adoption of e-commerce by potential purchase and the acceptance of the

channels by experienced e-customer therefore this paper seeks to test the influence of online shopping 22 experience on electronic purchase intention. They use the conceptual model, an extended technology, acceptance model (TAM), is tested using structural equation modelling technique. They found that the influence of self-efficacy and usefulness increases as the consumer gains online shopping experience. The motivations that lead a potential e-customer to make a purchase are not the same as those that influence an experienced customer. This paper demonstrated the evolution of customer behavior and the need to differentiate the perception of consumers depending on their level of experience.

Hansen and Jensen (2009) conducted a study in which they seek to examine shopping orientation and online clothing purchase across four different gender related purchasing context. A conceptual model for understanding the impact of shopping orientation on consumer online clothing purchase is proposed and tested both in a general setting and across purchasing context. Questionnaires were distributed to 1,150 Danish household addresses by use of the “drop of call back” survey method. Most adults provided response with respect to purchasing clothing for themselves and for their partner, making a total of 906 cases distributed across the four purchasing contexts. T tests and linear structural equation modelling were utilized to investigate expectations and hypotheses. They found that the expected difference s in men’s and women’s shopping orientations willingness to purchase clothing online. On average, consumer indicate the reduced difficulty in selecting items is 20 sorely needed when purchasing online clothing, but when evaluated among different purchasing situations, it is difficult to perceived in selecting items only for women. Less fun, significantly affected online clothing purchase for men purchasing for themselves, but not for women.

Chaing and Dholakia (2014) carried out a study in which they examined the purpose the customer to purchase goods online during their shopping. Mainly there are three variables in their study those affects the consumer to purchase online or to go offline. Those are the accessibility features of the shopping sites, the type of the products and their characteristic, and the actual price of the product. The study revealed that the

accessibility and the convenience of the shopping sites create the intention in the customer to purchase or not. When there is difficulty faced by a consumer to purchase online then the customer switch to the offline shopping for the purchase behavior and the consumer face difficulty in offline purchasing then they go to the online purchasing. After relating both the medium of shopping the consumer said that the online shopping is more convenient for them and gives more satisfaction which inspires the consumer to purchase online in the internet.

Iyer and Eastmen (2014) found that the population of senior who are more literate, more knowledgeable and who are more aware of the technology and those who have a positive behavior towards online shopping and internet are more into online shopping. But the population of senior who are less aware of the internet and the shopping sites are less involved in the shopping sites because they do not have a positive attitude towards online shopping rather they are much more interested in offline shopping and the seniors who are more involved in the internet uses more online sites for purchasing the goods over the internet. The senior which have more knowledge about the internet and the shopping sites they compare both the shopping i.e. online and offline shopping for their purchasing of goods. However, their knowledge and the use of internet by them has no connection with their age and their satisfaction level while purchasing online.

Prashant Singh (2014) in his article “Consumer’s Buying Behavior towards Online Shopping A case study of Flipkart.Com user’s in Lucknow City” published in Abhinav stated that future of e-retailers in India looking very bright. E-retailers give consumers the best way to save money and time through purchasing online within the range of budget. Flipkart.com offering some of the best prices and completely hassle-free shopping experience. The whole concept of online shopping has altered in terms of consumer’s purchasing or buying behavior and the success of E-Retailors in India is depending upon its popularity, its branding image, and its unique policies.

Upasana Kanchan, Naveen Kumar and Abhishek Gupta (2015) in their article “A Study of Online purchase behavior of Customers in India” Published in ICTACT

Journal on Management Studies stated that online shopping is gaining popularity among people of young generation. Higher income groups and educated people are purchasing more via e-retailing websites. People have hesitations in doing online shopping due to security concerns. At the same time people are resistant to change because of technological complexity in making online purchase. Companies involved in online retailing should focus on building trustworthy relationship between producers and customers.

FACTORS

Johnson et.al (1999) discussed to identify the factors influencing online shopping. This paper seeks to identify web consumer's demographic attitude toward shopping and reasons of online buying behavior. This survey asked member of WVTM (Wharton virtual test market) whether they have purchased anything online. This study concludes that the consumer shop online or use online facilities to save time. The result of these study suggest several suggestions for the design of online shopping environment such as shopping site should make it more suitable to buy standard to repeat purchase items, they should provide the information needed to make a purchase decision and purchasing process should be easy for the consumer. This paper conclude that the consumer appears to value the web time saving over its cost saving. The consumer attitude may change over time, accessibility rather than cost saving. The results show that the people who spend more money online have a weirder 16 lifestyles are on the net more and receives more emails compared to the other email users and internet users.

CONSUMER ATTITUDES

Li and Zhang (2002) examined the representative existing literature on consumer online shopping attitudes and behavior based on an analytical literature review. In doing so, this study attempts to provide a comprehensive picture of the status of this subfield and point out limitations and areas for future research. They decided to restrict their search of research articles to the period of January 1998 to February 2002. The other two criteria for selection are the articles are empirical in nature, and the articles

measure at least one of the identified factors in our taxonomy they searched three primary IS conference proceedings volumes: International Conference on Information Systems (ICIS), Americas Conference on Information Systems (AMCIS), and Hawaii International Conference on Systems Science (HICSS). They also checked the reference sections of the selected articles to identify and include additional prominent articles in this area. Three out of the five dependent variables (consumer attitudes, intentions, and purchasing behavior) and three out of the five independent variables (personal characteristics, vendor/service/product characteristics, website quality) receive the most attention. This seems to constitute the main stream of research in this area. It is found that personal characteristics, vendor/service/product characteristics, and website quality significantly affect online shopping attitudes, intention, and behavior. The direct implication of these findings is that targeting more appropriate consumer groups, improving product and/or service quality, and improving website quality can positively influence consumer attitudes and behavior, possibly leading to increased frequencies of early purchase and replication purchases on the part of customers.

Schiffman, Scherman, & Long (2003) in his study researched that “yet individual attitudes do not, by themselves, influence one’s intention and/or behavior. Instead that intention or behavior is a result of a variety of attitudes that the consumer has about a variety of issues relevant to the situation at hand, in this case online buying. Over time the Internet buyer, once considered the innovator or early adopter, has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels (Ernst & Young, 2001; Mahajan, Muller & Bass, 1990)

Lee and Littrell (2005) aimed to investigate consumers shopping values and web site beliefs that influence their intention to shop for cultural products. They use the theory of reasoned action (TRA) as a framework to explain the structural interrelationships among interest shopping values, beliefs about the web site, shopping attitude, shopping intention. A total of 203 persons responded to an invitation to participate in a web survey for the purpose of data analysis. They found that the consumer beliefs the

web site, especially with regards to merchandising, both directly and indirectly influenced the intention to shop for cultural products in the future. This finding confirms TRA such as belief structure as determined of attitude and attitude as determined of behavioral intention. The consumers who shop for cultural products on the internet have both hedonic and utilitarian shopping values and both these values must be addressed by internet retailers. Regular change in product and presentation are vital for maintaining repeat patronage.

Koo et.al (2008) have conducted an empirical study, they examined the motivational effects of personal values on benefits, attributes, and re-patronage intention in the perspective of shopping online. The study conclude that personal values of social affiliation and self-actualization serves as underlying beliefs in shaping, consumer's online shopping motives. In addition, online store attributes are positively related to pre-patronage intention.

Jayawardhena and Wright (2009) focused the antecedent of online shopper's excitement, its consequences for behavioral intentions as expressed by intent to return, and positive word of mouth communication. A conceptual model is developed based on the literature; instrument item scales to measures all constructs in the model were as informed by the literature and adapted from prior studies. They found that the convenience, involvement, attribute of the web site and merchandising all collectively influence shopper's excitement. E-shopper excitement leads to positive word-of-mouth (WOM) and increases the intent to return. The limitation of this study was that there is no differentiation is made between the types of goods that e-commerce purchased.

Selvakumar (2014) concentrated on consumer's perception of the product sold online and the issues considered important to online shopping. This study was conducted among the online shoppers at Coimbatore which is in Tamil Nadu state. It is to analyze the impact of consumer opinion and the attitude. Questionnaire was made to collect the data from the population; these questionnaires were given to college going

students. The total sample size is 150 respondents. The finding of this study shows that improvement and accessibility influence the customer's intention to shop online.

Prof. Ashish Bhatt (2014) in article entitled "Consumer Attitude towards Online Shopping in Selected Regions of Gujarat" published in Journal of Marketing Management stated that online shopping is gaining popularity among people specially the younger generation but in today scenario to become equally popular among all age groups e-marketing will have to cover a longer distance. As per study mode of payment is depended upon income of the respondents. People from different age groups are doing online shopping regularly. The attitude of consumers is changing with the time. In a country like India, consumers are finding online shopping very comfortable because of many variables like cash on delivery, customization or personalization of the websites, home delivery etc.

Shwu-Ing Wu (2015) Studied the relationship between consumer characteristics and attitude towards online shopping, the author examined the internet user concerns and perceptions of online shopping. He used the Fischbein model to measure consumer attitudes and the important consumer characteristics that influence online shopping attitude and decisions.

SERVICE QUALITY

Lee and Lin (2005) examined the relationship between internet service and the overall service quality of the customer like their satisfaction level and their purchase intentions. The data was collected from 297 consumers which is purchasing online. The positive and negative factors was analyzed to examine the reliability and the validity of the model which measures the factors. The structural equation modelling technique is done to test the model of the research. The results show that the design of the web, their reliability, the responsiveness and the trust affects the overall service quality and the satisfaction of the shoppers. These all are related to the consumer purchase behavior and the intention. The dimension of the shopping is significantly related to the e-service quality of the sites and the consumer satisfaction. The study

suggests to enhance the purchase intention of the consumer, the stores of online shopping should make some strategies and give trust to the consumer about the products. the online sites should give reliability and dependency of the web based services.

Mahalaxmi and Nagamanikandan, (2016) studied that the internet has given rise to great potential for businesses through connecting globally. In case online purchasing stills more problems arising specially for apparel. Every consumer has faced number of difficulties. Based on finding it is concluded that online shopping is getting popular in the younger generation. The main barrier in the process of online shopping is the safety issue and low level of trust on online stores therefore; sellers have to make proper strategies to increase the consumer's level of trust on them.

Dr. Gopal, R. and DeepikaJindoliya (2017) The origination of the internet created an entire new experience for consumers regarding gathering information, comparing products or prices and the possibility of purchasing on the internet. Therefore, consumer behavior on the internet is an important factor for marketers. To predict consumer behavior on the internet marketers, need to understand how, where and why consumers behave online. This paper tries to analyze studies done by various researchers in order to explore what online channels consumers use when they are in a particular stage of the buying decision process (BDP). The study will create more understanding about why and how on-line consumers go through their buying decision process (BDP). It will be helpful in drawing a modified and more effective marketing policy.

CHAPTER 3 - RESEARCH METHODOLOGY

3.1 Title

Determinants of Consumer Buying Behavior through Online Shopping in India

3.2 Title Justification

This study is helpful for us to know about the various behavior of consumers through online sales in India. It may also help us to know about the concept of marketing strategies.

3.3 Research Methodology

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It is the systematic method consisting of enunciating the problem, formulating hypothesis, collecting data or facts, analyzing the facts and reaching certain conclusion either in the form of solution towards the concerned problem or in certain generalizations for some theoretical formulation. It is the process used to collect information and data for the purpose of making business decision.

The study is based on both the primary data and secondary data. It involves direct investigation with people and referring to websites, brochures etc.

3.3.1 Research Design

A research design is the plan of a research study. The design of a study defines the study Type (Eg. - Descriptive, Correlational, Semi-experimental, Experimental, Review) and Sub Types (Eg. - Descriptive- Longitudinal, Case Study etc.). Research design is a framework that has been created to seek answers to research questions.

The research design used for this project is Descriptive.

Descriptive research is a study designed to depict the participants in an accurate way. It is all about describing people who take part in the study.

Descriptive research can be explained as a statement of affairs as they are at present with the researcher having no control over variable. Moreover, “descriptive studies may be characterized as simply the attempt to determine, describe or identify what is, while analytical research attempts to establish why it is that way or how it came to be”. Descriptive research is “aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method.”

In its essence, descriptive studies are used to describe various aspects of the phenomenon. In its popular format, descriptive research is used to describe characteristics and/or behavior of sample population.

An important characteristic of descriptive research relates to the fact that while descriptive research can employ a number of variables, only one variable is required to conduct a descriptive study. Three main purposes of descriptive studies can be explained as describing, explaining and validating research findings.

Advantages of Descriptive Research

1. Effective to analyse non-quantified topics and issues
2. The possibility to observe the phenomenon in a completely natural and unchanged natural environment
3. The opportunity to integrate the qualitative and quantitative methods of data collection
4. Less time-consuming than quantitative experiments

Disadvantages of Descriptive Research

1. Descriptive studies cannot test or verify the research problem statistically
2. Research results may reflect certain level of bias due to the absence of statistical tests

3. The majority of descriptive studies are not 'repeatable' due to their observational nature
4. Descriptive studies are not helpful in identifying cause behind described phenomenon

3.3.2 Data Collection

Data collection method can broadly be classified into two major categories listed below:

➤ **Primary Data**

Primary data refers to the original source from which data is collected. Data is collected from management executives, various section heads, supervisors and employees through direct methods like personal interactions, discussions and observation.

➤ **Secondary Data**

Secondary data refers to the source of data which has been collected and compiled for another purpose. Such data has been collected from hospital brochure, departmental manuals and registers, employee hand book, annual reports etc.

3.3.3 Sampling

Sampling is concerned with the selection of a subset of individuals from within a statistical population to estimate characteristics of the whole population.

Sampling Technique: **The technique used in this project is CONVENIENCE SAMPLING**

A convenience sample is a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach.

Sample Unit: The sample unit were people in the neighbourhood and students in the college.

Sample Area: The area used for survey was Delhi.

Sample Size: The size of the sample is 100 samples.

CHAPTER 4 - ANALYSIS, DISCUSSION AND RECOMMENDATIONS

4.1 Introduction

The growing use of Internet in India provides a developing prospect for online shopping. If E-marketers know the factors affecting online Indian behavior, and the relationships between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existing online customers.

This project is a part of study, and focuses on factors which online Indian buyers keep in mind while shopping online. This research found that information, perceived usefulness, ease of use; perceived enjoyment and security/privacy are the five dominant factors which influence consumer perceptions of Online purchasing.

Consumer behavior is said to be an applied discipline as some decisions are significantly affected by their behavior or expected actions. The two perspectives that seek application of its knowledge are micro and societal perspectives.

The online purchasing behavior of online shoppers and factor influencing online shopping behavior and its future perspective. Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets.

Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers.

The objective of this research study is to investigate online consumer behavior, which studies consumer awareness and the problems they face during online shopping, that helps E-marketers with a constructional framework for fine-tuning their E-businesses' strategies.

4.2 Data collection sources/technique

Data collection method can broadly be classified into two major categories listed below:

➤ Primary Data

Primary data refers to the original source from which data is collected. Data is collected from management executives, various section heads, supervisors and employees through direct methods like personal interactions, discussions and observation.

➤ Secondary Data

Secondary data refers to the source of data which has been collected and compiled for another purpose. Such data has been collected from hospital brochure, departmental manuals and registers, employee hand book, annual reports etc.

Convenience sampling was used as a sampling method where sample size taken was 100. Respondents were from college and neighborhood area. An online google form was prepared and floated to them asking to fill the form according to their opinion.

The data, which is collected, is analyzed and is represented through pie graphs and bar diagrams using percentages for analyzing and interpreting.

4.3 Data Analysis

1. What is your age group?

Particulars	No. of Respondents
15-20	20
20-25	48
25-30	17
30 and Above	15
TOTAL	100

Table 4.1: Age Group

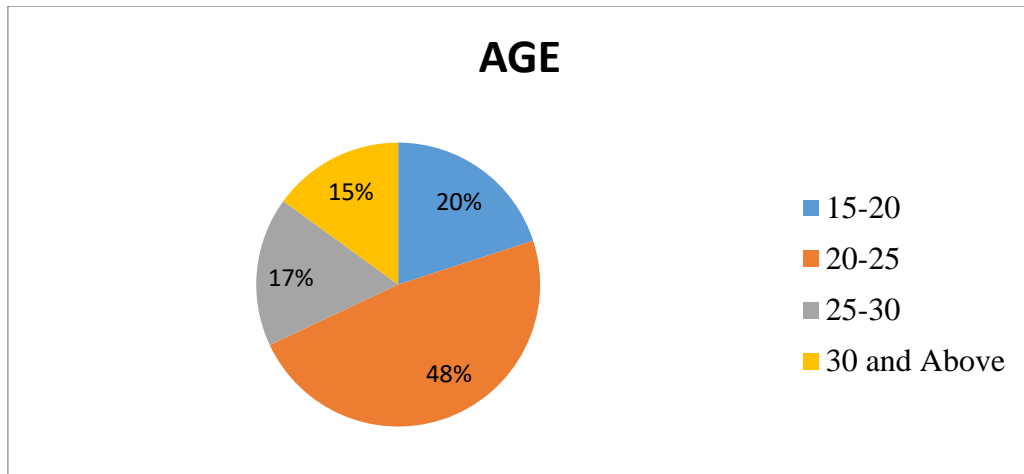


Fig. 4.1: Pie chart showing age distribution.

INTREPRETATION

The above diagram shows us the percentage in the age of respondents. As it shows that from the Age group of 15-20 the number of respondents are 20%, from 20-25 age group it is 48%, 17% from 25-30 and 30 and above it is 15%. The above chart shows that high respondents of online shopping fall in 20-25 age group.

2. What is your gender?

Particulars	No. of Respondents
Male	45
Female	55
TOTAL	100

Table 4.2: Gender of Respondents

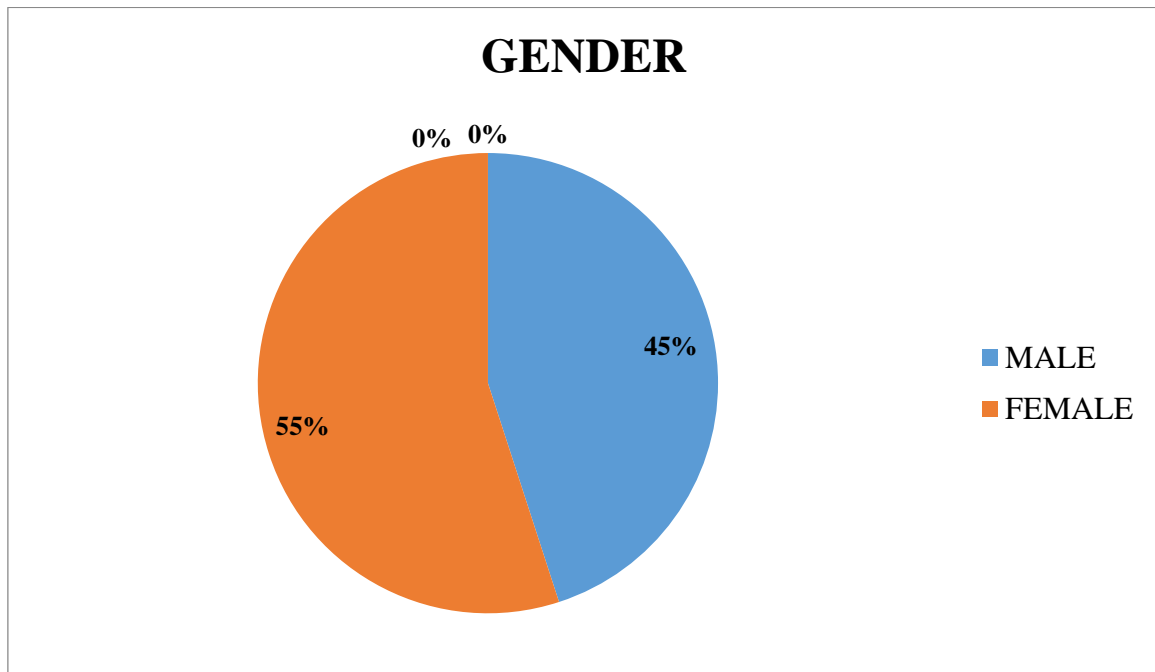


Fig 4.2: Pie chart showing Gender of Respondents

INTREPRETATION

From the above table and figure, we can easily analyze that we have 45% of males and 55% of them are females who have participated in this survey. Marketers have got a immense potential to tap the untapped segment i.e female segment because of their recent development of socioeconomic empowerment in the society.

3. What is your occupation?

Particulars	No. of Respondents
Student	55
Professional	10
Self employed	25
Others	10
TOTAL	100

Table 4.3: Occupation of Respondents

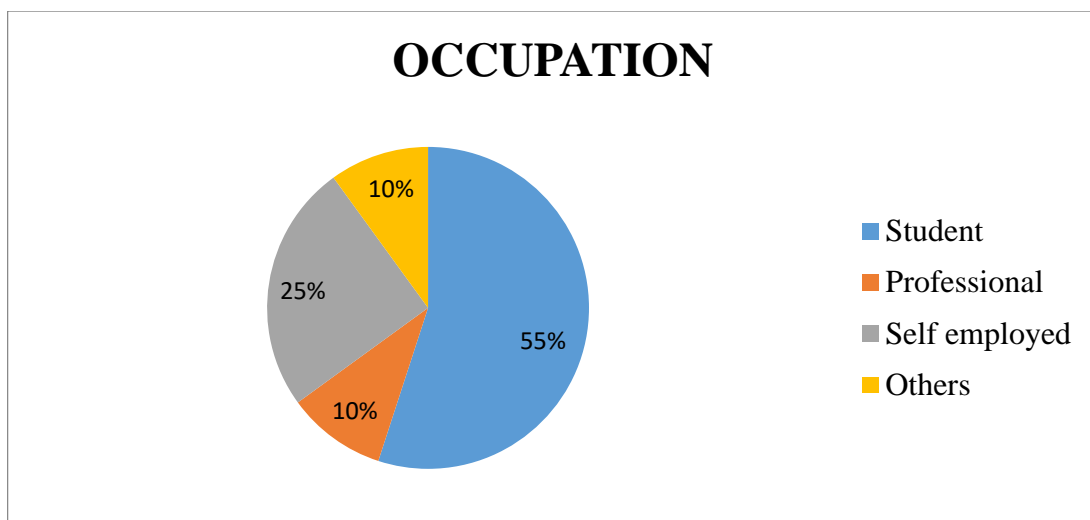


Fig 4.3: Pie chart showing occupation of Respondents

INTREPRETATION

This above graph shows the percentage of occupation of different respondents, and this it to know that which segment of people are buying more products on the internet, whether they are the segment of students, professionals, self-employed or any other occupation. The above graph show that the segment of the students i.e. 55% are using internet and buy more online products.

4. Do you have your own internet connection?

Particulars	No. of Respondents
Yes	65
No	35
TOTAL	100

Table 4.4: Respondents own Internet connection

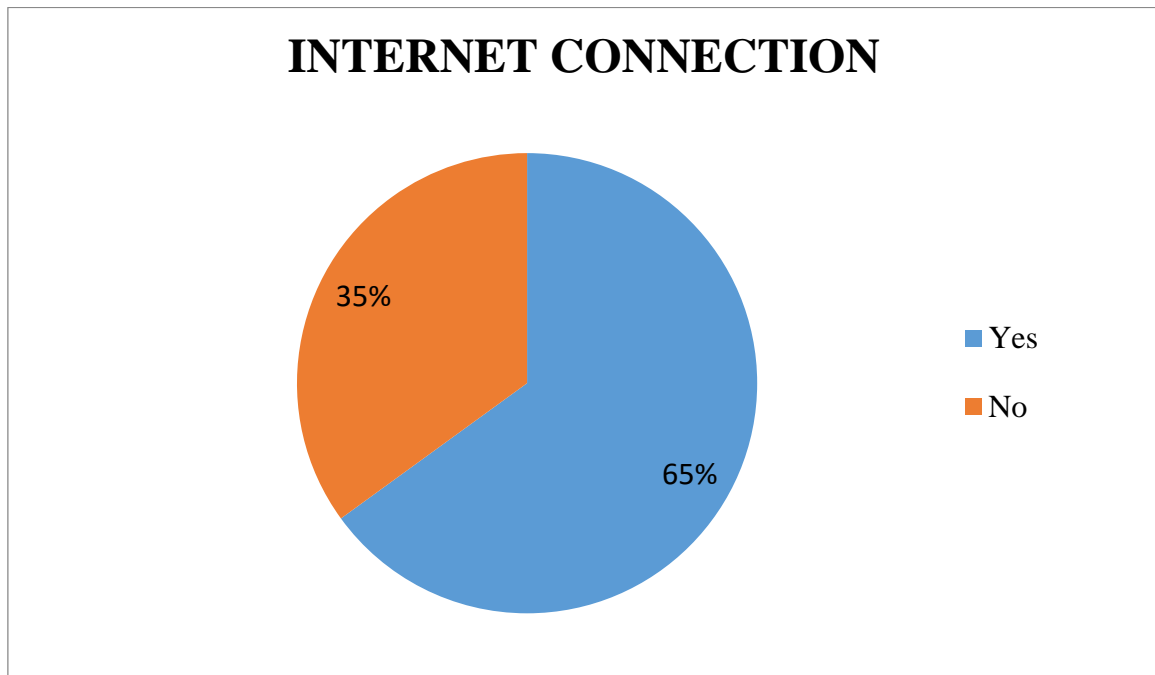


Fig 4.4: Pie chart showing number of Respondents own Internet connection

INTREPRETATION

The above graph shows us the percentage of respondents who have their own internet connections, and it shows that 65% of respondents have their own internet connections and 35% people don't have their internet connection. Usage analysis may help for better understanding the behavior of the customers.

5. How frequently do you purchase online?

Particulars	No. of Respondents
Once a week	45
More than once a week	20
Once a month	15
More than once in a month	20
TOTAL	100

Table 4.5: Frequency of Respondents purchase online

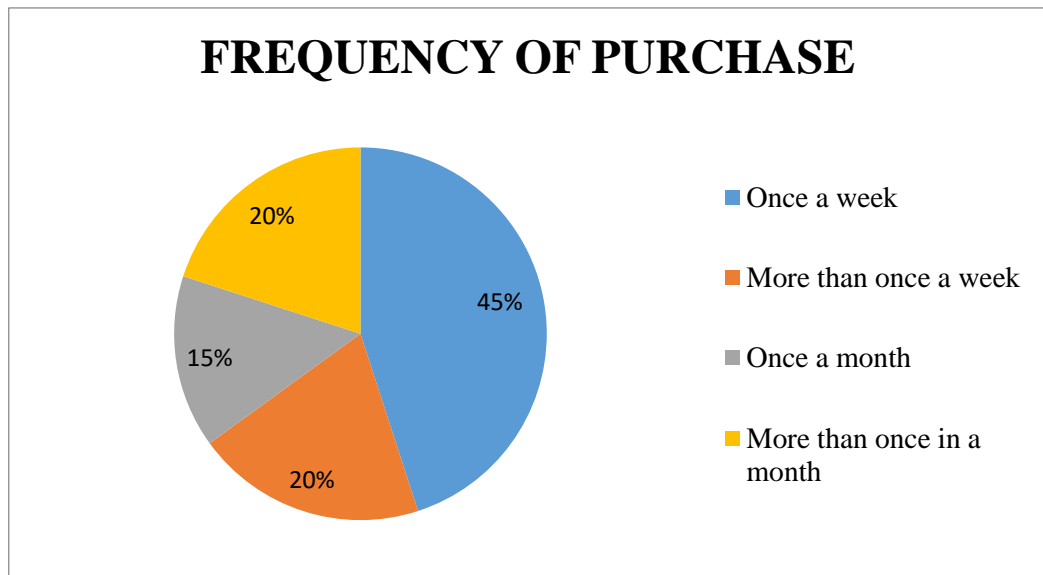


Fig 5.5: Pie chart showing frequency of Respondents purchase online

INTREPRETATION

The above graph shows us the frequency of online purchasing by the respondents. It shows that 45% of respondents purchase once a week, 20% of respondents purchase more than once a week, 15% of respondents purchase once a month and 20% of respondents purchase more than once in a month.

6. What motivates to buy products online?

Particulars	No. of Respondents
Easy payment	20
No hidden cost	15
No travel to shop	35
Wide range of products	30
TOTAL	100

Table 4.6: Motivation to buy online

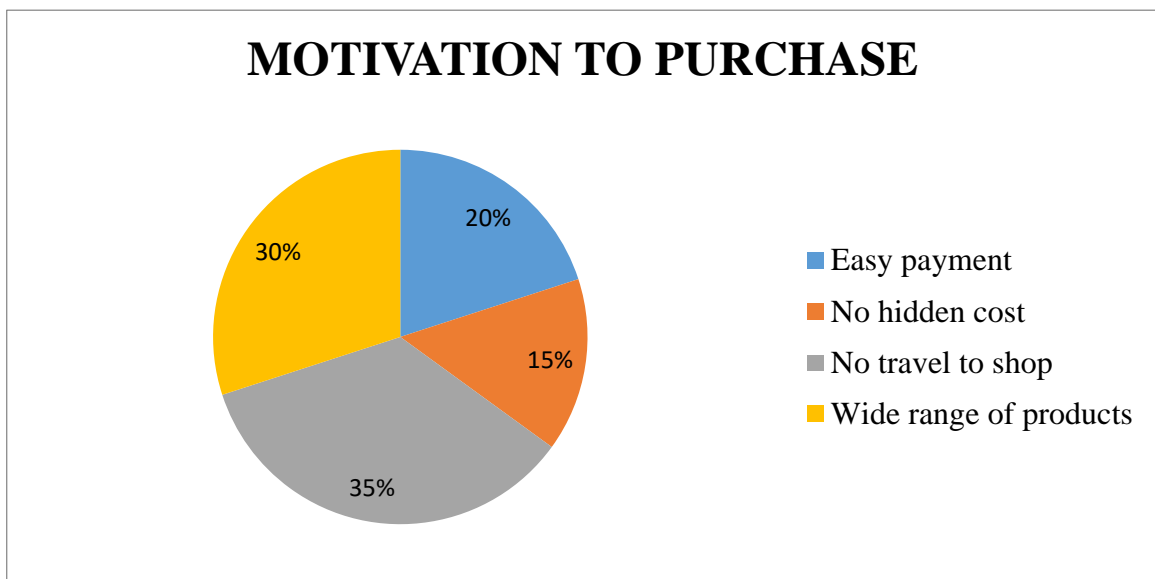


Fig 4.6: Pie chart showing what motivates Respondents to buy online

INTREPRETATION

This graph shows that what motivates the people to buy internet, as from above result we found out that no travel to shop is the main thing and wide range of products available at one place which help respondents to compare the products from various variety which motivates the people to buy products online.

7. Do you feel that the online marketers are providing competitive prices?

Particulars	No. of Respondents
Yes	67
No	27
Can't Say	6
TOTAL	100

Table 4.7: Online Marketers providing competitive prices

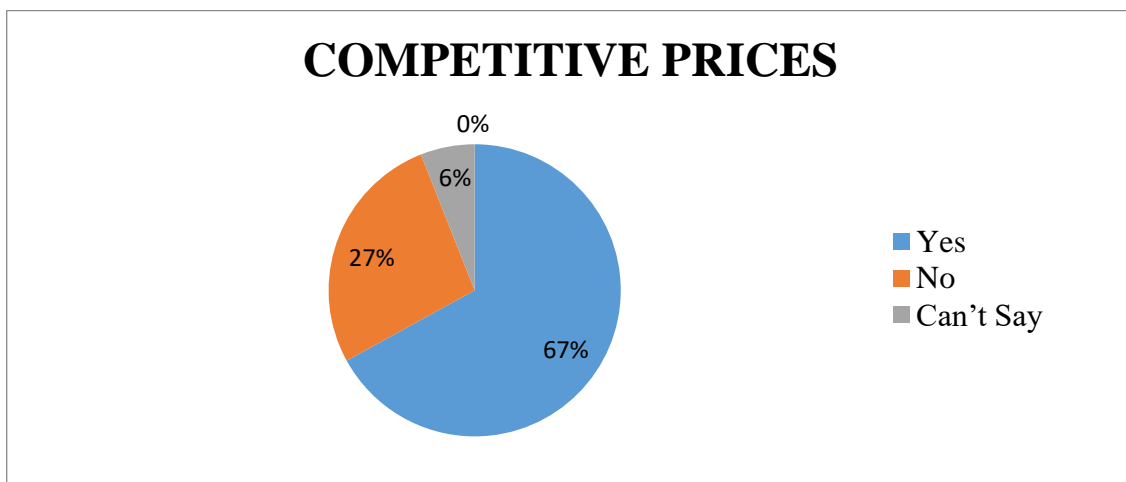


Fig 4.7: Pie chart showing the opinion of Respondents on the competitive prices by online marketers.

INTREPRETATION

This diagram shows us that whether online marketers are giving competitive price or not and result which came out is that most of the people thought that online marketers are providing competitive prices than physical stores because they provide various scheme like discount coupons , free offers ,etc which boost the customers to buy product online rather than retail shop. The result shows 67% of people say that it provides competitive prices and only 27% people says no.

8. What products do you buy on internet?

Particulars	No. of Respondents
Books	10
Clothing	25
Footwear	25
Electronics Appliances	15
Others	25
TOTAL	100

Table 4.8: Products purchase by Respondents on Internet.

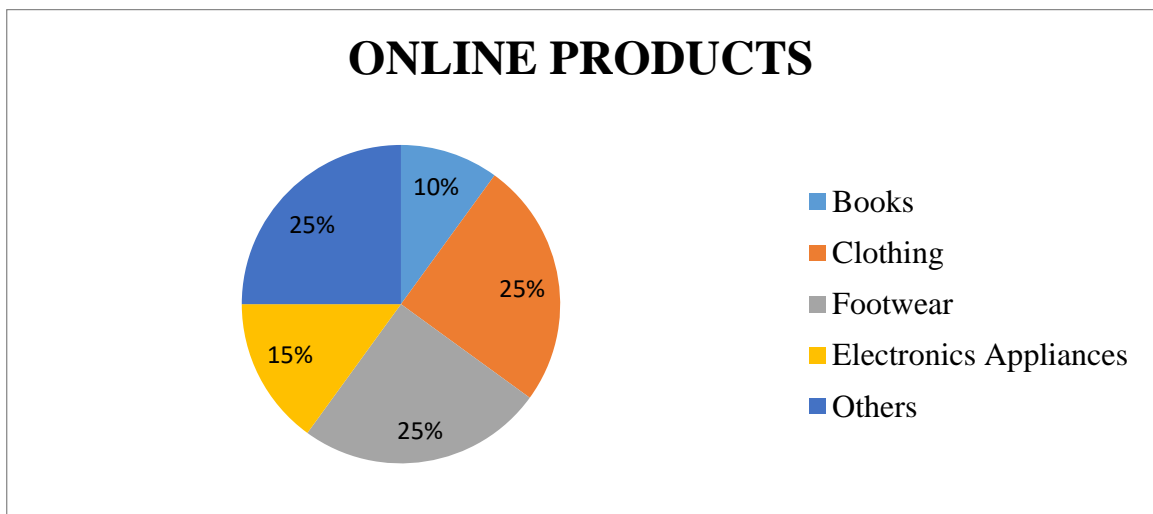


Fig 4.8: Pie chart showing Products purchased by Respondents on Internet.

INTREPRETATION

The above graph shows us the products bought by the respondents online. It shows that 10% of people buy books, 25% people buy clothes, 25% of people buy footwear and 25% people buy other things. While electronic appliances have the lowest of 15%. So this graph shows us this useful data.

9. Which of the following sites do you use for shopping online?

Particulars	No. of Respondents
E-bay	30
Amazon	40
Snapdeal	20
Flipkart	10
TOTAL	100

Table 4.9: Website used by Respondents for Shopping online.

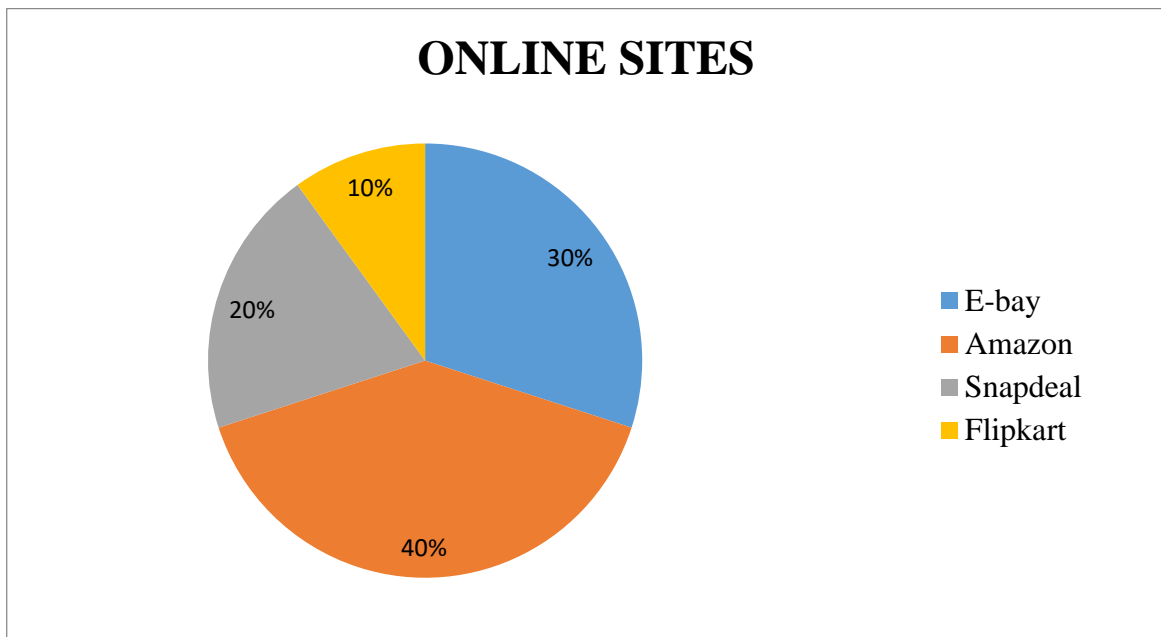


Fig 4.9: Pie chart showing website used by Respondents for shopping online.

INTREPRETATION

The above graph shows us the sites used by the respondents for shopping. This graph shows that 30% people visit E-bay for online shopping, 40% go at Amazon.com for electronic products, 20% people go to Snapdeal for affordable deals and 10% people visit Flipkart.

10. What factors help you to decide which site to use for online shopping?

Particulars	No. of Respondents
Cash on Delivery	30
Return Policy	25
Special offers on sites	20
Word of Mouth	25
TOTAL	100

Table 4.10: Factors deciding which site to use for Shopping online

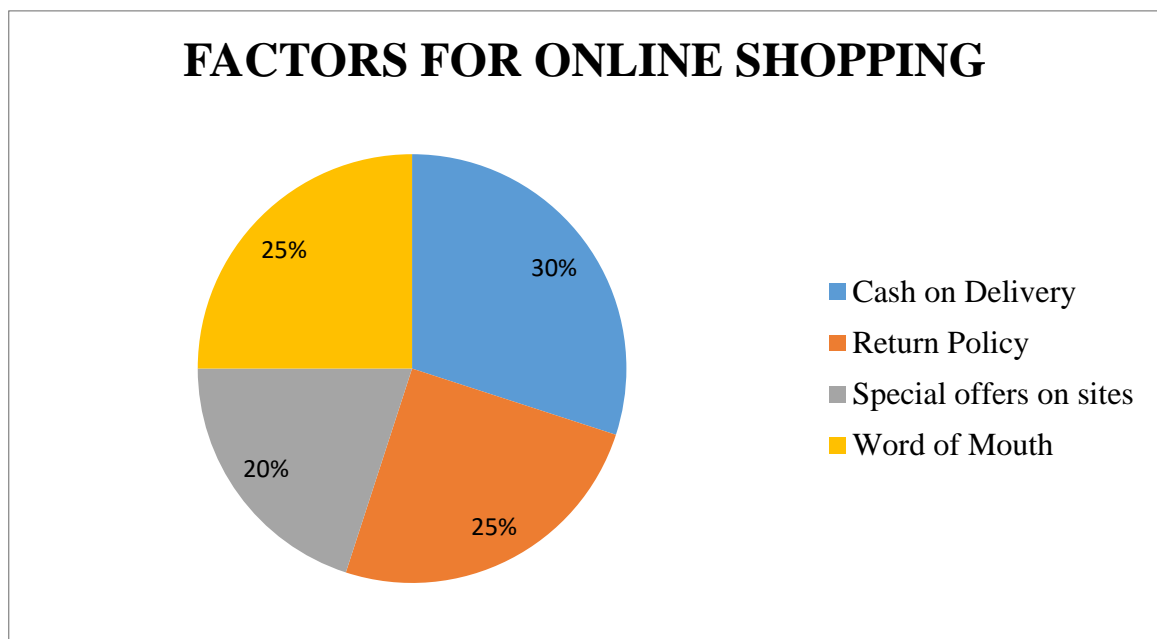


Fig 4.10: Pie chart showing Factors for Online shopping.

INTREPRETATION

The above graph shows us the factors that help us to decide which site to use for online shopping. It shows that 30% of respondents say that Cash on Delivery is useful, 25% of respondents say that Return Policy is useful, 20% of respondents say that Special offers on sites is useful and 25% of respondents say that Word of Mouth is useful.

11. Do you feel that online shopping is better than shopping at physical stores?

Particulars	No. of Respondents
Yes	53
No	47
TOTAL	100

Table 4.11: Online shopping v/s Physical Shopping

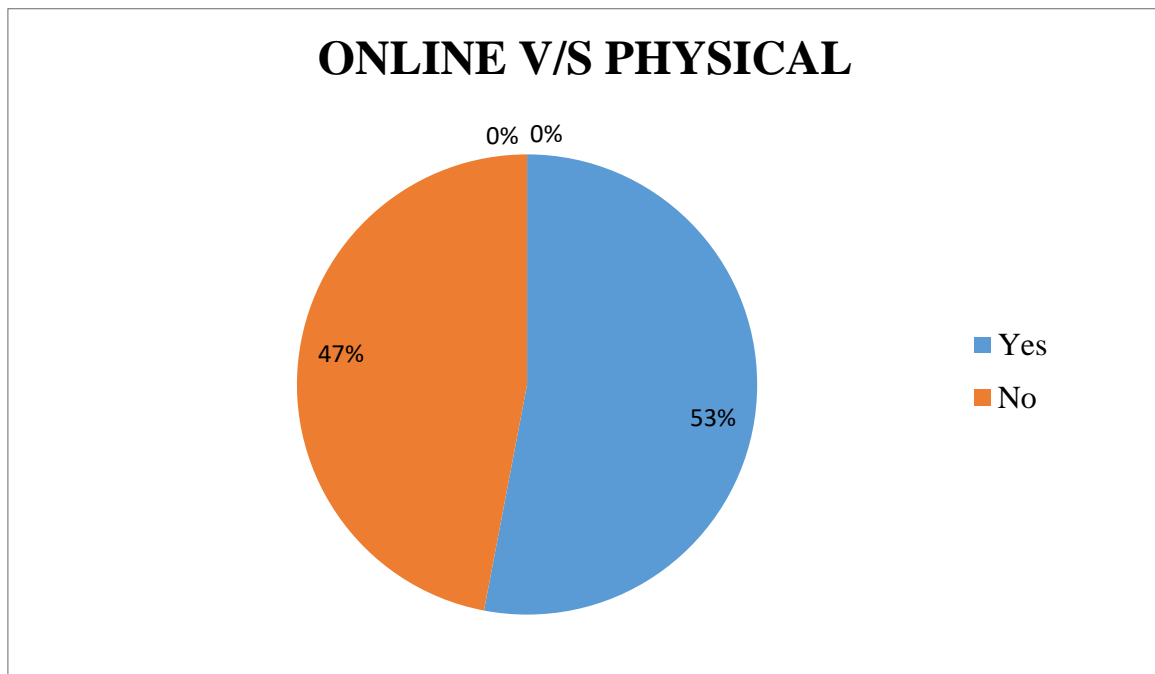


Fig 4.11: Pie chart showing Online shopping v/s Physical shopping.

INTREPRETATION

After analyzing the above graph shows that the people are in favor of that online shopping is better than physical store, the percentage of people who says online shopping is better is 53% and the people who say it not good is 47%. Still the percentage of people who says yes is more than other who says no.

12. How do you make your payments online?

Particulars	No. of Respondents
Cash on Delivery	40
Credit card/Debit card	35
PayTm	15
Internet Banking	10
TOTAL	100

Table 4.12: Mode of Payment

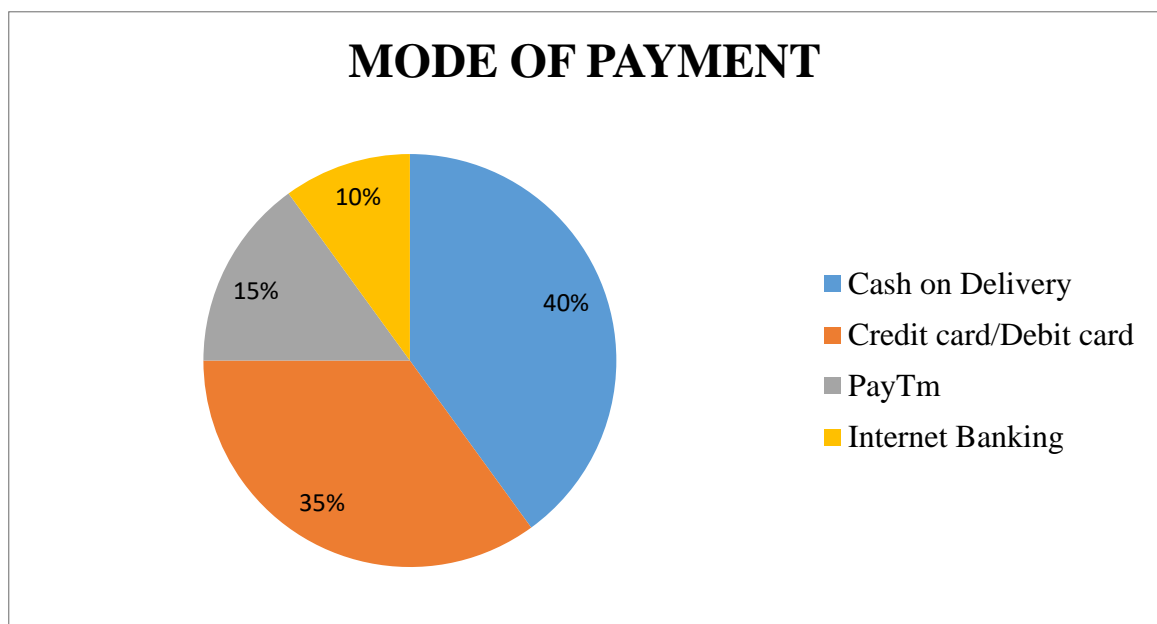


Fig 4.12: Pie chart showing mode of payment.

INTREPRETATION

The above graph shows us the mode of payment used by the respondents for online shopping. This shows that 40% of people use Cash on Delivery to pay their payments, 35% through Credit card/Debit card and 15% through PayTm and 10% from Internet Banking.

13. Have you faced any problems while shopping online?

Particulars	No. of Respondents
Yes	35
No	45
Can't Say	20
TOTAL	100

Table 4.13: Problems with Online shopping

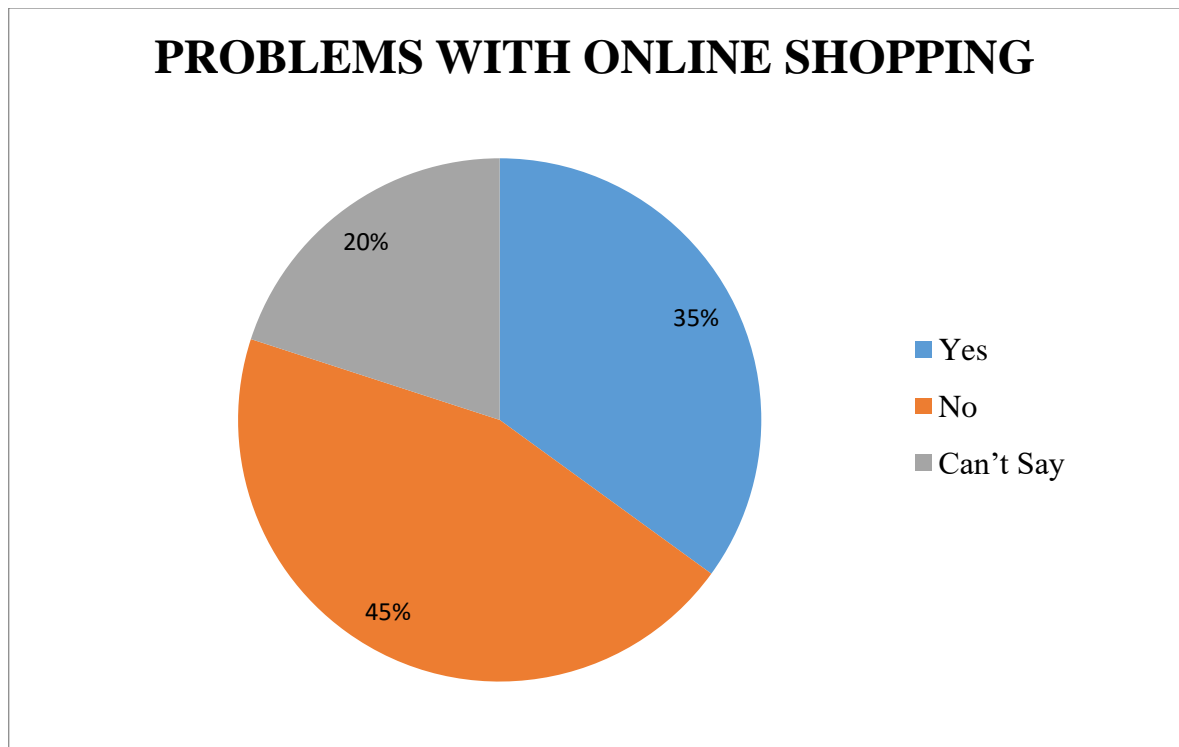


Fig 4.13: Pie chart showing problem faced by number of Respondents.

INTREPRETATION

This graph shows that whether people faces any problem while doing online shopping or not and the result shows that 35% people says that they have faced problem while buying online and 45% people says that they don't face any problem and 20% says that we can't say.

14. Are you satisfied with the online services?

Particulars	No. of Respondents
Yes	65
No	35
TOTAL	100

Table 4.14: Satisfaction with Online Services.

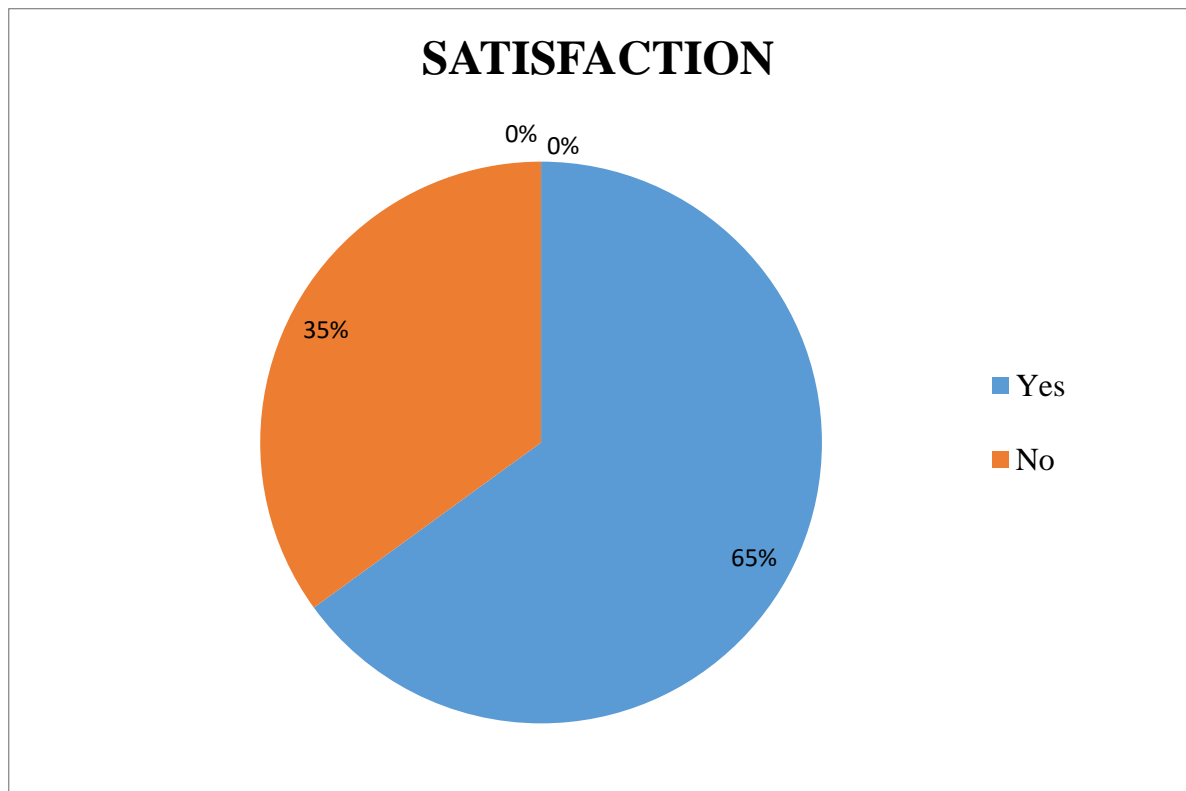


Fig 4.14: Pie chart showing Satisfaction with Online services.

INTREPRETATION

The above graph shows us the satisfaction level of the respondents through online shopping. This graph shows that 65% people are in the favor of online shopping where as 35% are not.

4.4 Findings and Recommendations

Findings

According to the analysis of the above questionnaire, following are the findings:

- 48% of respondents are age group in 20-25. High respondents of online shopping fall in 20-25 age group because they are latest generation of users.
- 55% of respondents are students as they use internet more and buy more online products.
- 35% of respondents are motivated by online shopping as they have to travel less to purchase the product and 30% of respondents feel that wide range of products are offered online.
- 67% of respondents thought that online marketer provides the competitive price than physical stores. Because they provide various schemes discount, coupons, free offers, etc.
- 25% of respondents buy footwear and 25% of respondents buy clothes through online shopping and lowest 10% buy books.
- 53% of respondents said yes online shopping is better than physical store and 47% of respondents said No.
- 40% of respondents visited the online shopping Amazon for electronic products and 20% of respondents visited in Snapdeal for affordable deals and 10% of respondents visit Flipkart.
- 40% of respondents make the payment through cash on delivery and 35% through credit card/debit card because it is convenient and suitable for them.
- 45% of respondents faced no problem in online shopping and 35% of respondents faced problem in online shopping.
- 65% of respondents are satisfied and 35% of respondents are not satisfied online Shopping.

Recommendations

- Increased Internet penetration, a hassle free shopping environment and high levels of Net savviness see more and more Indians shopping online.

- The companies need to reduce the risks related to consumer incompetence by tactics such as making purchase websites easier to navigate, and introducing Internet kiosk, computers and other aids in stores.
- The goal is not to convert all shoppers to online purchasing, but to show them it's an option. In addition to above, efforts need to be taken to educate the online buyers on the steps that need to be undertaken while making an online purchase.
- Moreover, the feedback of an online buyer should be captured to identify flaws in service delivery. This can be done through online communities and blogs that serve as advertising and marketing tools and a source of feedback for enterprises.
- It is a challenge for E-marketers to convert low frequency online buyers into regular buyers through successful website design and by addressing concerns about reliable performance.
- Online retailing raises more issues than the benefits it currently offers. The quality of products offered online and procedures for service delivery are yet to be standardized. Till the same is done, the buyer is at a higher risk of frauds.
- As we came to know after researching on this topic we recommend that, the online sellers have to make their payment transparent, and as people are coming on their sites and they are buying their products.
- Retailers have to give more discounts to their customers so that they can visit again and again to their site, and it also helps to make people more aware about the low risk shopping of the net.
- One more thing is that there should be transaction of money is very slow they have to make it fast so that customer don't have to face much problem to pay for the product, if customer is going to face some problem he is not going to visit our site and buy product.

Following implications should be followed:

- Discount prices
- A transfer and reliable retailer

- Fast transactions
- Focus on customer satisfaction

4.5 Limitation of Study

- Confidentiality matter restricts for an in depth study.
- It was difficult to find sufficient time to interact with some people, since they were busy with their work schedules.
- Findings based on this study cannot be used in other organizations.
- There was Limited location to conduct survey.
- Less cooperativeness by people.
- Information not complete to form an opinion.

Conclusion

The e-commerce is one of the biggest things that have taken the business by a storm. It is creating an entire new economy, which has a huge potential and is fundamentally changing the way businesses are done. It is believed that electronic commerce will become a huge industry in the coming years and online shopping is now becoming a significant part of the consumer's daily life to meet their never ending requirements in a convenient way. Online shopping is picking up and is becoming a trend.

More consumers are indulging into internet shopping as seen by the research because of the value proposition it offers to a customer such as convenience, 24x7 shopping, doorstep delivery, a broad product selection and the ever-expanding range of unique and unusual gift ideas as well as increased consumer confidence in shopping on the internet is increasing. The main motivating factor seen during the research was the convenience and customer service which drives the people to online shopping.

As a result today they are buying airline and railway tickets, books, home appliances, electronic gadgets, movie tickets, etc. by logging on to a web site, than driving up to a store. As the research suggest that increase in usage of internet increases the online shopping so there is a need to increase in broadband penetration as it accelerates the growth of online trade. A huge buyers and sellers across demographics are shopping online because of the changing lifestyles and shopping habits. It is seen that despite the immense possibilities available on the internet it is mainly used for mailing, chatting and surfing. E-mail applications still constitute the bulk of net traffic in the country.

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Annexure

QUESTIONNAIRE

Name: _____

Address: _____

1. What is your age group?

- a) 15-20
- b) 20-25
- c) 25-30
- d) 30 and above

2. What is your gender?

- a) Male
- b) Female

3. What is your occupation?

- a. Student
- b. Professional
- c. Self employed
- d. Others

4. Do you have your own internet connection?

- a) Yes
- b) No

5. How frequently do you purchase online?

- a) Once a week
- b) More than once a week
- c) Once a month
- d) More than once in a month

6. What motivates to buy products online?

- a) Easy payment
- b) No hidden cost
- c) No travel to shop
- d) Wide range of products

7. Do you feel that the online marketers are providing competitive prices?

- a) Yes
- b) No
- c) Can't Say

8. What products you buy on internet?

- a) Books
- b) Clothing
- c) Footwear
- d) Electronics
- e) Others

9. Which of the following stores have you ever visited for shopping online?

- a) E-bay
- b) Amazon
- c) Snapdeal
- d) Flipkart

10. What factors help you to decide which site to use for online shopping?

- a) Cash on Delivery
- b) Return Policy
- c) Special offers on sites
- d) Word of Mouth

11. Do you feel that online shopping is better than shopping at physical store?

- a) Yes
- b) No
- c) Can't say

12. How do you make your payments on internet?

- a) Cash on Delivery
- b) Credit card/Debit card
- c) PayTm
- d) Internet Banking

13. Have you faced any problem while shopping online?

- a) Yes
- b) No
- c) Can't say

14. Are you satisfied with the online services?

- a) Yes
- b) No