Project Dissertation Report on

Consumer Buying Behaviour in E-Commerce & Effect of Changes in FDI Policy in E-Commerce

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2K17/MBA/040

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CERTIFICATE

This is to certify that the Project Report titled "**Consumer Buying Behaviour in E-Commerce & Effect of Changes in FDI Policy in E-Commerce**" is an original and bonafide work carried out by **Mr. Maaz Ahmad Khan** of MBA 2017-19 batch and was submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042 in partial fulfilment of the requirement for the award of the degree of **Masters of Business Administration**.

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Signature of Mentor

DECLARATION

I, **Maaz Ahmad Khan**, student of MBA Batch 2017-19 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042 declares that Summer Internship Report on **Consumer Buying Behaviour in E-Commerce & Effect of Changes in FDI Policy in E-Commerce** submitted in partial fulfilment of Degree of Masters 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 has not been submitted to any other university for the award of any other degree, diploma and fellowship.

Maaz Ahmad Khan

Place: New Delhi

Date of submission:

ACKNOWLEDGEMENT

This report bears sincere thanks to several people who have made contribution towards its completion. I would like to express my gratitude to Delhi School of Management, DTU for including Major Research Project program as a course which has provided an opportunity to gain practical experience to do analysis and understand the behavior of customers.

My sincere gratitude to my Faculty mentor Mr. Vikas Gupta, at **Delhi School of Management, DTU**, who helped me at all the steps to prepare this report, and with his guidance and help, I was able to effectively understand how to conduct surveys and do the necessary research. He not only gave me an excellent guidance, unabated inspiration but also his never-ending willingness to deliver generous research methodologies, timely attention and kind interest, since beginning of my project.

I extend my sincere gratitude and thanks to my friends and faculty for their help and assistance during my project, without whom it would not have been possible for the project to take its final shape.

Sincerely,

Maaz Ahmad Khan

ABSTRACT

The rapidly changing technological advancements have made the world a small place to live in. In this age of globalization, when internet access has become a vital and an indispensable part of our lives, we can understand the span of consumer base active on the internet.

Various E-Commerce websites have emerged in the online business scenario. Many international companies have entered in this segment to emerge as leaders. Companies like Flipkart, Amazon, Snapdeal etc. have got a strong hold in the Online shopping segment.

Recently, on 26th December, 2018, the Government made some changes in the policy on Foreign Direct Investment (FDI) in E-Commerce, which has shaken up the Online business by these companies. The changes made in the policy have been discussed in this project, and the impact it has done on the consumers and how their buying behaviour has changed over the period before and after the implementation of this policy on 1st February, 2019 have been studied.

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Chapter – 1

Introduction

Introduction

The introduction chapter will be explaining the purpose of my research. Here, the search questions, limitations and a background will be presented.

1.1 Background

The invention of the Internet has created paradigm shift of the traditional way people shop. A consumer is no longer bound to opening times or specific locations; he can become active at virtually any time and place and purchase products or services. The Internet is a relatively new medium for communication and information exchange that has become present in our everyday life. The number of Internet users is constantly increasing which also signifies that online purchasing is increasing. The rapid increase is explained by the growth in the use of broadband technology combined with a change in consumer behaviour.

The Internet is considered a mass medium that provides the consumer with purchase characteristics as no other medium. Certain characteristics are making it more convenient for the consumer, compared to the traditional way of shopping, such as the ability to at any time view and purchase products, visualise their needs with products, and discuss products with other consumers. Oppenheim and Ward (2006) explain that the current primary reason people shop over the Internet is the convenience. They also recognize that the previous primary reason for shopping online was price, which has now changed to convenience.

Online shopping is the process consumers go through when they decide to shop on the Internet. The Internet has developed into a “new” distribution channel and the evolution of this channel, e-commerce, has been identified to be the most significant contribution of the information revolution. Using the Internet to shop online has become one of the primary reasons to use the Internet, combined with searching for products and finding information about them. The consumers have never had access to so many suppliers and product/service opinions. Therefore, the Internet has developed to a highly competitive market, where the competition over the consumer is fierce. In order to have an impact on and retain consumers, in a competitive market, the first step is to identify certain influencing aspects when purchasing online, these can be regarded as factors.

1.2 Indian E-Commerce Market:

The e-commerce has transformed the way business is done in India. The Indian e-commerce market is expected to grow to US$ 200 billion by 2026 from US$ 38.5 billion as of 2017. Much growth of the industry has been triggered by increasing internet and smartphone penetration. The ongoing digital transformation in the country is expected to increase India’s total internet user base to 829 million by 2021 from 560.01 million as of September 2018. India’s internet economy is expected to double from US$125 billion as of April 2017 to US$ 250 billion by 2020, majorly backed by ecommerce. India’s E-commerce revenue is expected to jump from US$ 39 billion in 2017 to US$ 120 billion in 2020, growing at an annual rate of 51 per cent, the highest in the world.

Investments/ Developments

Some of the major developments in the Indian e-commerce sector are as follows:

- Flipkart, after getting acquired by Walmart for US$ 16 billion, is expected to launch more offline retail stores in India to promote private labels in segments such as fashion and electronics. In September 2018, Flipkart acquired Israel based analytics start-up Upstream Commerce that will help the firm to price and position its products in an efficient way.
- Paytm has launched its bank - Paytm Payment Bank. Paytm bank is India's first bank with zero charges on online transactions, no minimum balance requirement and free virtual debit card
- As of June 2018, Google is also planning to enter into the E-commerce space by November 2018. India is expected to be its first market.
- E-commerce industry in India witnessed 21 private equity and venture capital deals worth US$ 2.1 billion in 2017 and 40 deals worth US$ 1,129 million in the first half of 2018.
- Google and Tata Trust have collaborated for the project 'Internet Saathi' to improve internet penetration among rural women in India

1.3 Government initiatives

Since 2014, the Government of India has announced various initiatives namely, Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support the e-commerce growth in the country. Some of the major initiatives taken by the government to promote the e-commerce sector in India are as follows:

- In order to increase the participation of foreign players in the e-commerce field, the Indian Government hiked the limit of foreign direct investment (FDI) in the E-commerce marketplace model for up to 100 per cent (in B2B models).
- In the Union Budget of 2018-19, government has allocated Rs 8,000 crore (US$ 1.24 billion) to Bharat-Net Project, to provide broadband services to 150,000 gram panchayats

Achievements

Following are the achievements of the government in the past four years:

- Under the Digital India movement, government launched various initiatives like Udaan, Umang, Start-up India Portal etc.
- Under the project 'Internet Saathi', the government has influenced over 16 million women in India and reached 166,000 villages
- Udaan, a B2B online trade platform that connect small and medium size manufacturers and wholesalers with online retailers and also provide them logistics, payments and technology support, has sellers in over 80 cities of India and delivers to over 500 cities.

- According to the UN's e-Governance index, India has jumped 11 positions to 107 in 2016 from 2018 in 2014.
- The government introduced Bharat Interface for Money (BHIM), a simple mobile based platform for digital payments.

1.4 Problem

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

The importance of analysing and identifying factors that influence the consumer when he or she decides to purchase on the Internet is vital. Since the Internet is a new medium for there have been new demands set by the consumer. That is why it is crucial for the online retailers to know what influences the online consumer.

Analysing consumer behaviour is not a new phenomenon. The renowned marketing expert Philip Kotler has published several works on the topic of consumer behaviour theories. These theories have been used for many years not only to understand the consumer, but also create a marketing strategy that will attract the consumer efficiently. Hence, understanding and identifying the consumer is closely related to the directions a company will take with their marketing strategy. These theories can also be applied to identify the online consumer and to create certain consumer segments. However, some distinctions must still be made when considering traditional consumer behaviour and online consumer behaviour.

Since online retailing is a new retailing medium and online consumer behaviour is diverse from traditional consumer behaviour, one must identify what influences the online consumer. Analysing the process that the online consumer goes through when deciding and making a purchase over the Internet, shows some factors that consumers consider. These factors need to be identified and taken into account by online retailers in order to satisfy consumer demands and compete in the online market. To further understand how these factors, influence different types of consumers, I must identify segments which will enable us to make comparisons.

Just four days since India's new foreign direct investment (FDI) policy for e-commerce came into effect, there have been some massive changes in the way online retailers operate in the country.

Among other things, India's largest E-Retailers, Amazon and Flipkart, reportedly pulled down hundreds of thousands of products from their online stores.

On Feb. 01, the Indian government implemented several restrictive changes to India's FDI policy for e-commerce. The new rules state that online marketplaces can no longer enter into exclusive deals for selling products on their platforms nor can they have a

single vendor supply more than a quarter of the inventory. The government also restricted marketplaces from influencing prices in a bid to curb deep discounting.

The new e-commerce policy could lead to online sales falling by $46 billion by 2022, according to a draft analysis by consultancy PwC. Both Amazon and rival Flipkart have reportedly seen nearly a third of their sales volume disappear since the policy took effect on Friday.

Amazon India has reportedly had to take multiple products off its shelves. The site had to discontinue a number of offerings by Amazon Basics, which is owned by its parent company.

Many of the goods that have been pulled from Amazon were sold by Cloudtail or Appario Retail. The former is a joint venture (JV) between Amazon and Infosys co-founder NR Narayana Murthy's Catamaran Ventures, while the latter is a JV between Amazon and Ashok Patni Group.

Cloudtail is Amazon's biggest seller, generating up to 40% of the company's sales in certain months. It was also a seller for Pantry—the grocery-delivery service that was one of Amazon's biggest bets in recent years—which was also shut down in the aftermath of the new rules. In September, the online retailer even acquired a massive stake worth Rs4,200 crore ($582 million) in Aditya Birla Group's grocery chain More with the intention of scaling up this vertical.

Among other things, the government has barred online marketplaces from entering into exclusive deals for selling products on their platforms and said that not more than 25% of the inventory on an e-commerce platform can be from a single vendor.

Launching products exclusively on their websites and apps has been a major money spinner for online retailers. For instance, Flipkart sold over 3 million smartphones on the first day of its Big Billion Day sale in October thanks to its exclusive deals to launch OPPO F3 Plus, among other mobile phones.

While it benefitted online retailers, this practice had left small traders and sellers particularly miffed as they could not match the deep discounts large companies offered.

The government clarified several other policy details that may dampen the mood for online marketplaces:

Cash backs: These schemes ought to be fair and non-discriminatory, the new policy says. "For the purposes of this clause, provision of services to any vendor on such terms which are not made available to other vendors in similar circumstances will be deemed unfair and discriminatory," the government circular said.

Compliance: E-commerce companies must furnish a certificate confirming compliance of all guidelines, along with a report of a statutory auditor. These should be submitted to the Reserve Bank of India by Sept. 30 every year.

1.5 Research Purpose

The purpose of this research is primarily to identify and get insight in to what main factors the online consumer takes into consideration when purchasing online. Further, I will investigate the changes in the buying behaviour of consumers after the implementation of new policy of FDI in E-Commerce industry, and how it has affected their buying behaviour.

Chapter – 2

Method

Method

2.1 Choice of Methodology

I will attempt to find the main factors that influence the online consumer when making an online purchase and how it has changed before and after the implementation of new E-Commerce Policy. In order to broaden my own understanding of the subject I conducted my initial research in literature on consumer behaviour and e-commerce. I reviewed studies that had similar aims and paid particular attention to their results.

For my own research I decided that the most appropriate approach would be a questionnaire that would be filled out by students and employees.

This study started out as an exploratory study but developed into an explanatory study since I started out with first gaining knowledge about consumer behaviour to further being able to gain knowledge about online consumer behaviour. Having this knowledge, I continue to identify specific factors that are of importance when the online consumer is making online purchases. This information is then used in order to find relationships and correlations between these variables.

2.2 Research Approach

There are two most commonly used research approaches, the inductive and the deductive method. The inductive research method attempts to setup a theory by using collected data, while the deductive research approach attempts to find the theory first and then test it to the observed data. I chose a deductive research approach for my study as I would move from the more general to the specific. I will present the theoretical findings on consumer behaviour in the next chapter, after which I will present my questionnaire in chapter four where I present my collected primary data.

2.3 Research Philosophy

When starting a study there must be an understanding of in which way the study will be approached. The established research philosophy explains this approach when collecting and analysing data. The research process has three main focuses: positivism, realism, and interpretive.

Positivisms the approach where the researcher does not want to be affected by nor affect the subject of the research. The researcher believes that the collected and analysed data can be simplified to allow like generalization using existing theories to develop hypotheses from these.

In the realistic approach, there is a reality existing independent of the mind. Like the positivistic approach it assumes a scientific approach to the development of knowledge.

The interpretive way of approaching the subject of the research does not agree with the fact that law-like generalizations can be made. Instead it stresses that the human mind and the social world are too complex in order to be generalized.

My research will be conducted with a positivistic approach, since I will try to affect and interfere with the collected data as little as possible.

2.4 Research Strategy

When collecting data to approach the purpose of a research there are two ways in which the data can be collected. In order to acquire a general knowledge about the topic, secondary data is primarily used and is one of the ways by which data can be collected. These Conway to collect data is the primary data collection. Usually when a study is conducted, secondary data is not sufficient enough and needs to be completed with primary data which is collected by the researcher.

2.4.1 Secondary Data

Secondary data can be classified into three different subgroups: documentary, multiple source, and survey.

Documentary second and data comes in both written and non-written form. It is the data that can be collected from sources such as journals, databases, transcripts etc. This form of data is dependent on the access the researcher has to it.

Survey based secondary data is the data that is collected through the survey and is available as data table forms.

Multiple source secondary data is data that has been compiled into documentary or survey form; the main characteristics of this type of data is that it has been changed into a different form before there searcher is assessing the data.

I have mainly used documentary secondary data combined with multiple source data. Documentary secondary data has been the data collected through different types of research conducted within the topic, articles, and that are written on consumer behaviour and e-commerce. This type of data has been the fundamental source for gaining knowledge within the topic in order for us to be able approach the research problem. The secondary data that I used for our research his data that has also led to the conclusion of which factors that will be examined. The multiple source data that I have used has been in order to choose which product I would use for our research in order to be able to find the product that is most widely bought over the Internet.

2.4.2 Primary Data

Primary data for our research was collected through questionnaires. When collecting primary data one can choose to do interviews, observations, experiments, and questionnaires. Due to the purpose of our research, only the questionnaire method would be able to approach the topic and be able to collect the answers in a satisfactory manner. In our research the primary data is mainly concerned with analysing the respondent in order to later on classify the respondent. Further on, the primary data will be used to analyse the factors and how these are related to the respondent. The primary data is conducted in a manner to be able to approach our research and solve our research questions.

2.5 Summary

In order to find the factors that influence the online consumer, as I have set out to do, this study will go from an exploratory to explanatory study. This also explains the deductive approach that I chose, as I first turn to the literature in order to gain knowledge. I do not want to affect the respondents' answers and I, therefore, perform a positivistic approach to the study. By using secondary data, I attempt to find the influencing consumer factors and then continue with primary data in order investigate the influence of the factors.

Chapter – 3

Theory

Theory

3.1 Introduction

This Project report aims at finding factors that affect the online consumer's buying behaviour. By reading literature concerning consumer characteristics and online consumer characteristics I believe to find implications for certain factors that are of importance for the online consumer.

The Internet is a worldwide accessible series of computer networks that transmit data by packet switching using the standard Internet Protocol. It is a "network of networks "that consists of millions of smaller domestic, academic, business, and government networks, which together carry various information and services, such a select, file transfer, the interlinked Web-Pages and other documents of the World Wide Web. Originally the Internet was mainly used by academics, research scientists and students; however, that scenario has changed as commercial organizations have moved to incorporate the World Wide Web into their promotional campaigns, and by offering the facility of online purchasing. The Internet has evolved into a worldwide accessible marketplace for information exchange and e-commerce. The strategic importance to be available for consumers on the World Wide Web, with information and services has become particularly relevant to firms.

The Internet can make it easier for companies to have information about their products or services available to their customers or potential customers. A company can satisfy the consumers' individual need of information at a low cost in comparison to sending out product brochures for example. As the user can choose information from websites, which implies that the information provider can achieve better understanding of the user's needs and wants by collecting data. On the other hand, the Internet is a place with hardly any structure or rules: therefore, large efforts are needed in order to show the consumer where a specific site is located, and what services are available on that site. Companies with no physical presence must market themselves considerably, both online and offline, for the consumer to remember their name.

Whether it is the traditional market or the online market, the marketer must understand the consumer and how he makes his decisions and purchasing choices, because the consumer is under a constant flow of stimuli from the marketers' advertisements. The marketer has the possibility to decide and to control the output that will be forwarded to the consumers, but when the advertisement reaches the consumer that control ends. The consumer then interprets the information that has been sent out in his own way based on specific factors for every consumer. Therefore, marketers have developed different theories that can explain why consumers interpret information in a certain way, and there by understand certain behaviours. Several articles have set out to identify the characteristics of the online consumer.

The online consumer to have the following characteristics: younger, wealthier, better educated, having a higher "computer literacy" and are bigger retail spenders.

The online consumer as: older, make more money, convenience seeker, innovative, impulsive, variety seeker, less risk aware, less brand and price conscious, and with a

more positive attitude towards advertising and direct marketing. Some of these characteristics are similar, while others are the opposite.

Trying to identify the online consumer is difficult since the rapid development of e-commerce has also led to an increase of both technologies and different types of consumers. It is also known that the type of product has a significant influence on the online consumer behaviour which makes it more difficult to identify consumer characteristics. There are still some characteristics that can be identified to specify the online consumer and the following text will try to do so.

3.2 Customer Behaviour

The marketing strategy is about increasing the probability and frequency of buyer behaviour. Requirements for succeeding in doing this are to know the customer and understand the consumer's needs and wants.

Human needs and motives are inextricably linked and that the relationship between them is so very close that it becomes difficult to identify the precise difference which may characterize them. People may buy new coats because it protects them against the weather, but the irreal underlying dominant need may be to follow the latest fashion trend. Buyers' characteristics are important theories and it explains the way that the consumer interprets and receives stimuli from advertisements. The decisions of consumers are influenced by a number of individual characteristics that are linked to the consumer's specific needs.

3.2.1 Consumer Characteristics

Consumer characteristics are explained by: Cultural characteristics, Social characteristics, Personal characteristics, and Psychological Characteristics. These characteristics are identified, by the marketer, in order to identify the consumer and to be able to decide on the strategy to what kind of consumer to target. Hence, these characteristics are used in order to segment the market and target specific consumer groups.

Cultural Characteristics

The Cultural Characteristics are recognized as the main influencer of consumer behaviour. These characteristics are developed by three features under pinning consumer behaviour: Culture, Subculture, and Social Class.

Culture is mentioned as the most basic cause of a person's wants and needs. Human behaviour is mostly learned and that are exposed to different sets of values and beliefs from a young age, and that these values influence our behaviour and decision making. Hence, these characteristics are interesting for marketers and important indicators of certain consumer behaviour and taste.

Subcultures are small group formations with a certain number of people that share values and beliefs such as nationalities, religions or geographic regions. An identified subculture can serve as an important and effective market segment which can be targeted.

Social class is recognized as a class structure, consisting of a combination of factors which gather different types of members. Some identified factors are income, age, education, and wealth

Social Characteristics

The Social Characteristics are divided into three different categories, namely Reference Groups, Family and Social Role and Status.

Reference Groups– The effects of the Reference Groups are mainly based on the belief that a person's behaviour is influenced by many small groups. When a group has a direct influence, it is called a Membership Group, for example: family, neighbours and co-workers. Reference Groups are the groups to which the person often wants to be long to and to be a part of but is not. These groups indirectly and directly form a person's behaviour and attitudes. There are three different ways by which these groups influence a person's behaviour; they may expose a person to new behaviours and lifestyles, influence a person's attitudes and self-concepts and also create a pressure of confirmation by Reference Groups. Another influence of importance is the opinion leader. An opinion leader is a person that influences others to follow his believes and attitudes towards certain issues, products or areas.

Family– Family members have a great influence on the buying behaviour. The involvement and influence by different family members varies, both to which degree but also in what way. Therefore, it is important for marketers to understand which role is played by whom in the family and direct the advertisement towards the main influencing part of the family.

Roles and Status– Each person belongs to different types of groups and also plays different roles whilst having different positions in the various groups. Roles are identified as what activities people are expected to perform from other members of the group.

Personal characteristics

These personal characteristics are categorized into: Age and Life-Cycle Stage, Occupation, Economic Situation, Lifestyle, Personality and Self-Concept.

The Age and Life-Cycle Stage– These stages explain different periods in life that the consumer experiences as he goes through life. These different stages also represent different changes that the consumer may experience when reaching a new stage. Marketers, therefore, define their target markets in terms of the different stages in order to develop appropriate marketing plans.

Occupation– The occupation tends to have an effect on the products and services bought by the consumers. This leads to the possibility of developing different types of products or services that suits interests identified to be above average within an occupation.

The Economic Situation– Wealth will affect a consumer's product choice. A consumer may be price- sensitive or not depending on the level of income, level of savings, level of interest rates, and also the product or service itself.

Lifestyle– This is identified to be a person's way of living which is recognized by the activities, interest, or opinion she or she has and it also explains the way a consumer interacts in the world.

Personality– This is mainly explained by the terms self-confidence, dominance, sociability, autonomy, defensiveness, adaptability and aggressiveness. These psychological factors are a result of one's environment. Personality can be defined as a dynamic and organized set of characteristics possessed by a person that uniquely influences his or her motivations, and behaviours in various situations.

Self-concept or Self Image– Is the conceptual understanding that people's possessions reflect their personalities. This concept does bring some conflicts in case people may have an image that satisfies who they are but does not agree with who they want to be (the ideal self-concept),the question then arises which one I would want to satisfy.

Psychological Characteristics

The psychological characteristics are divided into the following concepts: Motivation, Perception, Learning, and Beliefs and Attitudes.

Motivation– Motivation refers to a person needs that must be satisfied. These needs are of different kind; some are biological, such as hunger, thirst and discomfort, and some are psychological such as the need for recognition, esteem and belonging. Needs are not satisfied until they reach a certain point of intensity and become a motive for the consumer to satisfy them.

Perception- This characteristic is based on the understanding of how differently I perceive the same situation or the same stimuli. Perception is the process by which people select, organize, and interpret information. There are three different processes that decide how I interpret certain information. These are Selective Attention, Selective Distortion, and Selective Retention.

Learning– Learning is an act that changes people's behaviour because of their experience. It occurs through drives: strong internal wants that call for action, stimuli: object that drives for certain action, cues: small stimuli that determinate when, where and how the person will respond and reinforcement: when the response and stimuli towards an object is experienced more than once.

Beliefs and Attitudes– These are acquired by people through learning and experiencing. They influence the buying behaviour by making up brands and product images in the consumer's heads. A belief is a descriptive thought about something and is based on real knowledge, opinions or faith. Beliefs can also be emotionally charged. Attitudes are described as a person's evaluations, feelings, and tendencies towards something, but also determinations of people such as like and dislikes.

3.2.2 Online Consumer Characteristics

More specific identifications of the online consumer need to be made in order to understand the online purchase behaviour. The identified characteristics are some key

characteristics in regard to the online consumer. These key characteristics were made in order to identify online consumers and to be able to segment them.

Cultural Online Characteristics

The difference in social class creates a difference in purchasing Online Behaviour. Consumers from a higher social class generally purchase more and have a higher intention to purchase online because there is a higher probability that they possess a computer and also have greater access to the Internet. Consumers from lower social classes would not have the same properties. The authors also point out that consumers with lower social class, and there by not having the same properties, would not have the needed computer literacy to be able to leverage a computer.

Social Online characteristics

The social influence on the online consumer comes from new Reference Groups compared to the tradition always. For the online consumer new Reference Groups were identified as virtual communities, consisting of discussion groups on a website. The consumer can read about other people's experiences and opinions which have shown to have the effect of Reference Groups. Other Reference Groups are links to product related websites, which encourages product selection and contact information.

Personal Online characteristics

Monsuwé, Dellaert and Ruyter explored the personal online consumer characteristics and concluded that income has a vital role for online purchasing behaviour. The authors pointed out that consumers with higher house hold income would have a more positive attitude towards online shopping. This conclusion was explained by the fact that households with higher income would have a positive correlation with the possession of a computer, Internet access, and higher education.

The age factor is also a determinant for online purchase intentions. Older people who have no frequent interactions with the Internet and the computer would not use the Internet as a medium for purchases, while young adults will. The young adults used the Internet and computers more frequently. Younger people are also identified to have more technical knowledge. The younger adults usually have greater interest in using new technologies to browse for information and evaluate alternatives.

Psychological Online Characteristics

Smith and Rupp identified the psychological characteristics of consumer behaviour as questions the online consumer would ask himself before making a purchase online.

Motivation– The consumers is reasoning for incentives to engage in a particular behaviour. He may ask himself questions like: should I look around for better price? If online shopping saves me time, should I shop online more often? How much do I really need this product?

Perception- The consumer is interpreting acquired information by classing it. Questions such as the following may come about: I feel that this site seems pretty secure. It seems that this site has a good product but how can I be sure?

Personality- The consumer is adapting to influences of his cognitions. He may ask himself, what types of Web sites are best suited for his personal buying preferences.

Attitude- The consumer is working out what his likes and dislikes are in respect to a particular situation. He may ask himself: I am pretty unsure about extra costs, should I really be buying items from the Internet? If I do not buy the item online, how else can I get it?

Emotions- The consumer is without conscious effort detecting how he is being affected by his cognitive choice. He may ask himself: The last time I ordered from the Internet I had a really bad experience. Should I try buying online again? What is the future of buying online? If Websites get better should I invest more time in buying online?

3.3 Specific Consumer Traits and Online

Behaviour The online consumer's characteristics that I have identified to be the most important ones to have an effect on the online consumer, will be referred to as specific Consumer Traits and how the consumer uses the Internet will be referred to as Online Behaviour.

The online consumer characteristics such as personal, social, and psychological characteristics need to be identified in order to understand what is important for the online consumer. These characteristics reveal the consumers' lifestyle and identify who the consumer is and what attitudes he has towards online shopping.

Therefore, I will be using the following characteristics to segment the online consumer, by analysing:

- The consumer's demographics.
- Life patterns concerning Online Behaviour, such as how much the consumer uses the Internet, Webography's.
- For what purposes, Internet Usage.
- How much the online consumer shops online, Online Shopping Patterns, can be used in order to find out what impact certain factors have on different type of consumers.
- Prior experiences have also been identified to be relevant for what Beliefs and Attitudes the consumer has towards online shopping and are therefore also important for their search.
- Social influences have an effect on the consumer in the early decision-making stage and these were referred to as Reference Groups.

These are the consumer characteristics that are relevant for this research and need to be identified in order to find out who the online consumer is and what affects him when shopping online. These I will be referred to as Consumer Traits and Online Behaviour.

To summarise the prior text and to answer the question what identifies an Online Consumer, one can draw the conclusion that for this research the important consumer characteristics that need to be identified are:

- Consumer Traits
- Demographics
- Attitude and Beliefs
- Impact of Reference Groups
- Online Behaviour
- Webographics
- Online Shopping Patterns
- Internet Usage

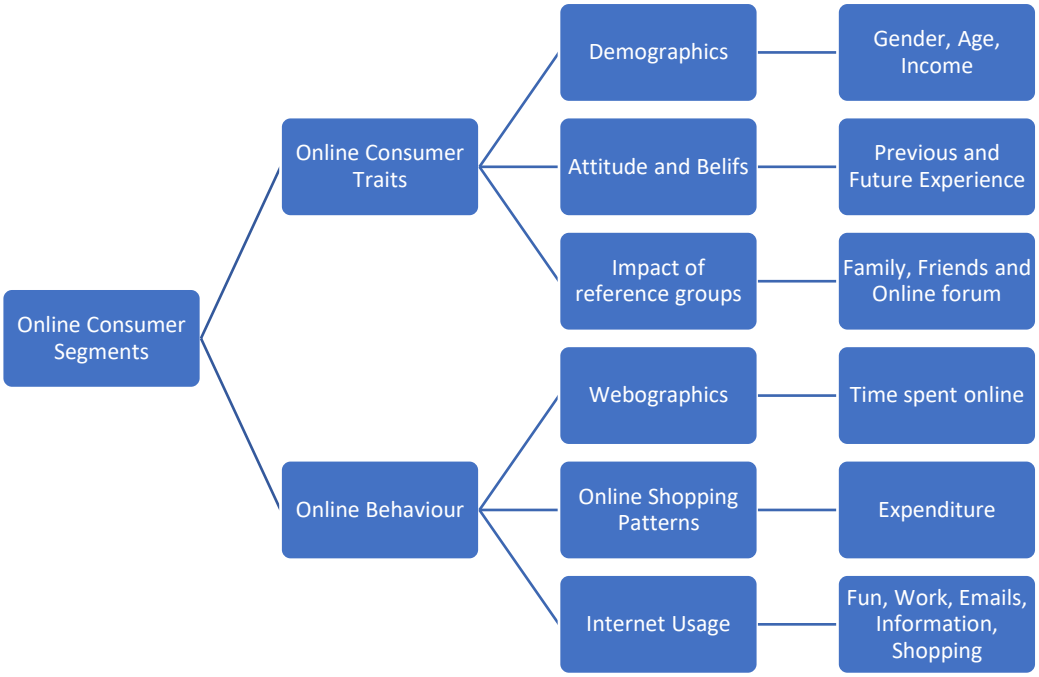


Figure 3-1 The Online Consumer Segment Sub-divisions

3.4 Important Influencing Factors

When processing the previous literature in order to find what Specific Consumer Traits and Online Behaviour that needs to be identified, I gained knowledge of which factors that were highly important for the online consumer.

Lifestyle is, as presented above, a describing group of consumers' personal characteristics and is expressed as a person's demographics. These living patterns show what opinions and interests a consumer has for certain products, for what reasons and which interest they have in the Internet, the Internet usage. The segment groups could be conceptualized and these would categorise the online consumers according to their shopping behaviour. The different attributes, that explain these

segments, show that the factors Price, Trust and Convenience are highly relevant influencers on the online consumer shopping behaviour.

Attitudes and beliefs are separated from consumer's psychological characteristics and mainly determined by learning and prior experiences. The ability to conduct price comparisons has been cited as a major reason why consumers use the Internet. Price sensitive hoppers are essentially concerned with buying products at the lowest price or getting the best value for the money they spend.

There have been many attempts to identify and segment the online consumer through various studies. By reading different studies I have identified certain factors that were constantly present in the literature. There are many factors that have an impact on the online purchase behaviour, but I have identified Price, Trust and Convenience to be very important and will put our attention to these three factors.

3.4.1 Identified Factors affecting Online Consumer Behaviour

Price which is a part of the marketing mix is a factor used in order to stimulate the consumer and is also a communicator, bargain tool, and a competitive weapon. The consumer can use price as a mean of comparing products, judge relative value for money, and judge product quality.

The factor Trust is considered to be a concern on the emotional basis in the minds of the consumers. The consumers have a focus on their safety needs and want to satisfy them before making a purchase.

The factor Convenience is considered to be a benefit in the eyes of the consumer and a quality derived from purchasing over the Internet. It is therefore considered to be a motivator and a benefit to consumers.

We believe that these factors have a significant influence on the consumer when purchasing online. To further analyse the factors, I study underlying attributes that represent what way the factors affect the consumers.

The Factor Price

The Internet has become a global market place on which consumers can gather and compare information such as product information and prices. The technologies and innovative business ideas of the Internet allow sellers to discriminate between buyers and buyers to discriminate between vendors. Historically, however, prices have been set by negotiations after having examined the product (Kotler & Keller, 2006). The Internet facilitates the scenario that comparisons can be achieved with ease, overlooking several digital attributes (which can be communicated through the web) and possibilities with several different vendors simultaneously. On the Internet it is after all the price comparison prospect that interest price sensitive consumers, whilst another category of consumers focuses on finding unique products with specialized features that might be difficult to find offline and who, therefore, perhaps even consider the price as secondary.

However, when online, only digital attributes can be evaluated by the consumer, while offline non-digital attributes (for which physical inspection of the product is necessary)

can be tested. This could even influence impulsive shoppers to become more cautious about the product as it can only be inspected digitally. Furthermore, when buying online, additional costs such as freight charges, customs or prolonged delivery times can influence the online consumer's decision to reconsider the transaction even though the price is low. Table 3.1 clarifies the fact that the factor price has two attributes, saving money and price comparison.

Table 3-1 The Factor Price and its Attributes

Factor	Attributes
Price	Saving Money
	Comparing Price

3.4.2 The Factor Trust

Because the Internet is a relatively new way of shopping, it is challenging for the consumers and therefore perceived by the consumer as risky. They further identify the sales person to be a silent source of trust for the consumer, and that the consumer is dependent on the sales persons' expertise. But since the salesperson has been removed in online shopping, the authors argue that the basis of consumer trust has disappeared. They further explain that the consumer is not able to check the quality of an item, nor is he able to monitor the safety of the security when revealing personal data. The authors, therefore, conclude that if a high level of security and privacy is communicated to the consumer the result would have a positive effect on consumer trust and the intention to buy online.

There are three modes of maintaining expectations about the future, familiarity, confidence and trust. To experience trust, familiarity and confidence must have been established. However, trust is only necessary when there is a high perceived risk, such as during a purchase transaction or a similar action.

The consumer's previous experience and trust in the computerized medium is likely to affect his amount of trust in online shopping. Human trust in computerised systems depends on three factors:

- The perceived technical competence of the system- The systems apparent ability to perform assigned tasks.
- The perceived performance level of the system- How fast and reliable it appears to be able to finish the tasks.
- The human operators understand of the underlying characteristics and processes governing the system's behaviour.

Previous knowledge also affects trust. Practical experience tends to teach us the opposite: the more I know, the better I know what I do not know, and the more elaborate our risk awareness becomes.

Trust is dependent on the six variables, as shown in Figure 3-2.

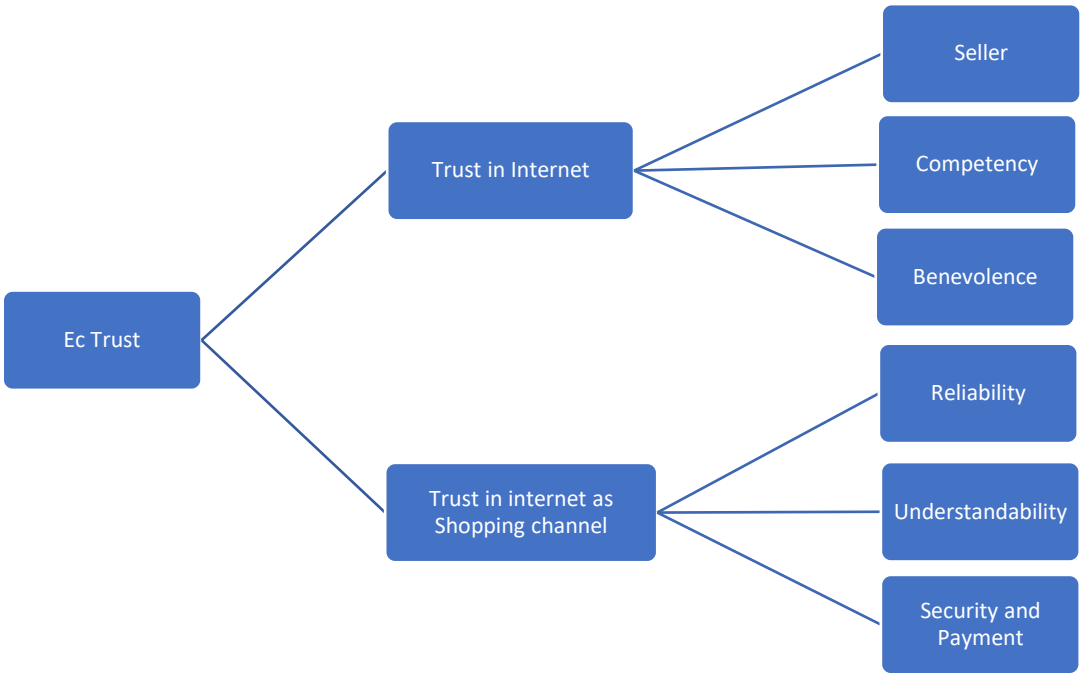


Figure 3-2 Trust in Electronic Commerce

A company must show the consumer that it is competent in managing information and supporting the consumer after a purchase is done. If that can be achieved, the consumer is more likely to "engage in trust-related Internet behaviours like purchasing, cooperating, and sharing information". Table 3.2 shows the factor Trust and its attributes.

Table 3-2 The Factor Trust and its Attributes

Factor	Attributes
Trust	Perception of safety
	Trust in the Internet Retailer
	Trust in the Internet as retail shopping

The Factor Convenience

Convenience is anything that is intended to save time and frustration according to the Swedish National Encyclopaedia. Further definitions of the concept of convenience are:

- The quality of being suitable to one's comfort, purpose or needs
- Personal comfort or advantage
- Something that increases comfort or saves work at a suitable or agreeable time.

Online shopping is a new medium for retailing creates a number of different advantages. One of these is that it is considered to be more convenient to shop online compared to the traditional way of shopping. The convenience attributes that online shopping provides are:

- Less effort
- Being able to shop at home
- Time saving
- Being able to shop at any time of the day

Online shopping provides convenience for consumers such as time savings and search convenience if compared to the traditional way of shopping.

If online shopping is to be perceived as convenient for the consumer, the consumer must perceive a certain amount of easiness with accessing the Internet and also with carrying out the behaviour with shopping online. The less complexity the consumer perceives with accessing the Internet the more attention the consumer has to enter the Internet and search for information.

The characteristics of convenience with online shopping can be summarized as follows:

Consumers can shop from their homes meaning they do not have to take certain aspects, needed when shopping in the traditional way, into consideration. Online shopping is, therefore, considered to require less effort. It is also considered to be time saving, the consumer can search for products and prices easy through the developed search engines. Through tracking devices, a consumer can at any time check where their package is. Another time aspect of online shopping is that it allows

The consumer to shop at any time of the day, the consumer does not need to consider if the stores are open or not.

Table 3-3 The Factor Convenience with Attributes

Factor	Attributes
Convenience	Saving Time
	Less Effort
	Shopping at any time

3.5 Summary

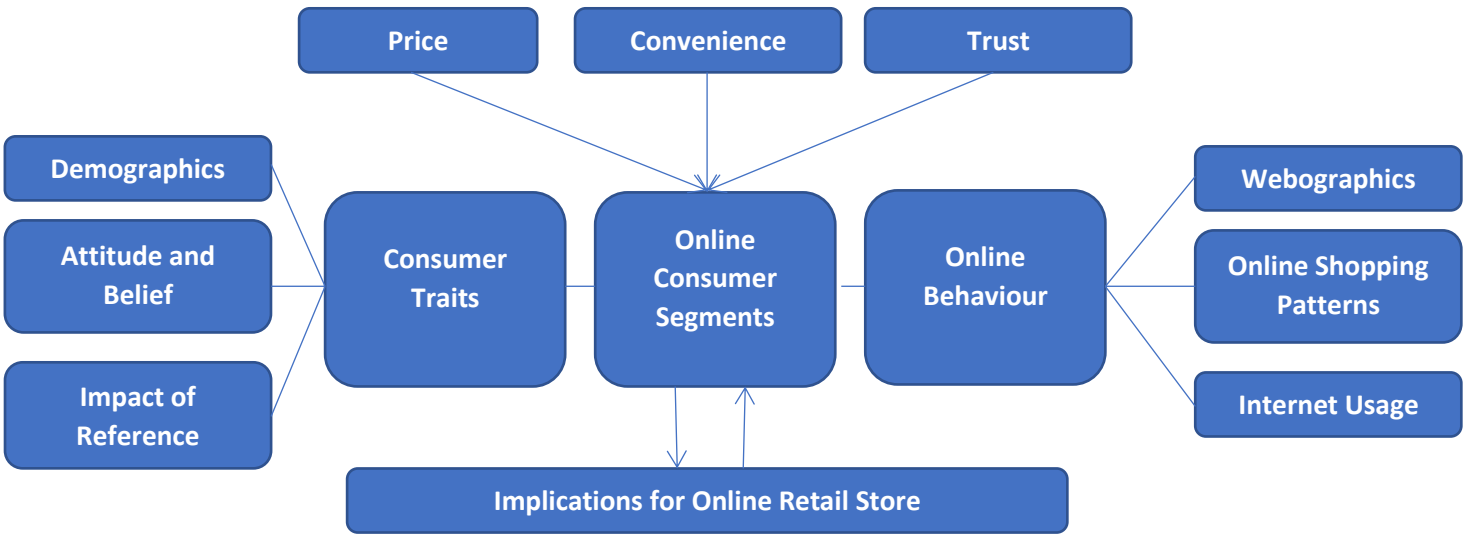
By first examining consumer behaviour theories, I have investigated what identifies the consumer and the processes that the consumer goes through before making a purchase. This has been applied to gain understanding of the online consumer buying behaviour and has then been used in order to find which characteristics that are relevant to identify and segment the online consumer. These have been identified as

Consumer Traits and Online Behaviour and are listed below along with the respective subsegments:

- Consumer Traits:
- Demographics
- Attitude and Beliefs
- Impact of Reference Groups
- Online Behaviour:
- Webographics
- Online Shopping Patterns
- Internet Usage

Furthermore, I have pointed out certain factors that I believe are important for the online consumer when shopping online through the literature overview. These factors have been identified as Price, Trust and Convenience through the literature. In order to comprehend how the identified factors, influence the online consumer I must first identify the online consumer. This identification needs to be done mainly through the relevant Consumer Traits and online consumer behaviour that have been identified earlier.

Figure 3-3 The influencing Factor's effect on Online Consumer Segments



We can then understand the relevance and impact of the factors for the all the respondents. By gaining understanding and being able to segment online consumers I can see the relevance and impact of certain factors for specific groups. Figure 3.3 explains that Online Consumer Segments will be developed through how the respondents answered questions that involved Consumer Traits and Online Behaviour. The defined segments will be compared according to how the respondents

in each segment answers the questions involving Price, Trust and Convenience. Finally, implications for online stores will be drawn from these results.

Chapter – 4

Press Information Bureau of Changes in FDI policy in E-Commerce

Press Information Bureau of Changes in policy on Foreign Direct Investment (FDI) in E-Commerce

To provide clarity to FDI policy on e-commerce sector, Para 5.2.15.2 of the Consolidated FDI Policy Circular 2017 will now read as under:

5.2.15.2 E-commerce activities

Sector/Activity	% of Equity/FDI Cap	Entry Route
E-commerce activities	100%	Automatic

Inventory based model of e-commerce- Inventory based model of e-commerce means an e-commerce activity where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.

Marketplace based model of e-commerce- Marketplace based model of e-commerce means providing of an information technology platform by an e-commerce entity on a digital & electronic network to act as a facilitator between buyer and seller.

Guidelines for Foreign Direct Investment on e-commerce sector

100% FDI under automatic route is permitted in marketplace model of e-commerce.

FDI is not permitted in inventory-based model of e-commerce.

Other Conditions

i) Digital & electronic network will include network of computers, television channels and any other internet application used in automated manner such as web pages, extranets, mobiles etc.

ii) Marketplace e-commerce entity will be permitted to enter into transactions with sellers registered on its platform on B2B basis.

iii) E-commerce marketplace may provide support services to sellers in respect of warehousing, logistics, order fulfilment, call centre, payment collection and other services.

iv) E-commerce entity providing a marketplace will not exercise ownership or control over the inventory i.e. goods purported to be sold. Such an ownership or control over the inventory will render the business into inventory-based model. Inventory of a vendor will be deemed to be controlled by e-commerce marketplace entity if more than 25% of purchases of such vendor are from the marketplace entity or its group companies

v) An entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity

or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity.

vi) In marketplace model goods/services made available for sale electronically on website should clearly provide name, address and other contact details of the seller. Post sales, delivery of goods to the customers and customer satisfaction will be responsibility of the seller.

vii) In marketplace model, payments for sale may be facilitated by the e-commerce entity in conformity with the guidelines of the Reserve Bank of India.

viii) In marketplace model, any warrantee/ guarantee of goods and services sold will be responsibility of the seller.

ix) E-commerce entities providing marketplace will not directly or indirectly influence the sale price of goods or services and shall maintain level playing field. Services should be provided by e-commerce marketplace entity or other entities in which e- commerce marketplace entity has direct or indirect equity participation or common control, to vendors on the platform at arm's length and in a fair and non-discriminatory manner. Such services will include but not limited to fulfilment, logistics, warehousing, advertisement/ marketing, payments, financing etc. Cash back provided by group companies of marketplace entity to buyers shall be fair and non-discriminatory. For the purposes of this clause, provision of services to any vendor on such terms which are not made available to other vendors in similar circumstances will be deemed unfair and discriminatory.

x) Guidelines on cash and carry wholesale trading as given in para 5.2.15.1.2 of Consolidated FDI Policy Circular 2017 will apply on B2B e-commerce.

xi) e-commerce marketplace entity will not mandate any seller to sell any product exclusively on its platform only.

xii) e-commerce marketplace entity will be required to furnish a certificate along with a report of statutory auditor to Reserve Bank of India, confirming compliance of above guidelines, by 30th of September of every year for the preceding financial year.

Subject to the conditions of FDI policy on services sector and applicable laws/regulations, security and other conditionalities, sale of services through e-commerce will be under automatic route.

Chapter – 5

Empirical Research Methods

Empirical Research Method

Since our research is of deductive character our primary intention was to collect secondary data and analyse it. By doing so I found the factors Price, Trust and Convenience. I then collected primary data through a survey. The main purpose of the survey was to collect data about Online Consumer Behaviour and the significance of the established factors, Price, Trust, and Convenience.

In order to be able to find and establish Online Consumer Segments, Consumer Traits and Online Behaviour had to be identified. The segments were used in order to further identify what impact the factors Price, Trust, and Convenience have on Online Consumer Segments.

5.1 Segments

A segment is a subgroup of people that share the one or more characteristics and these segments have similarities such as that they share behavioural features or have similar needs. These similarities make a specific segment homogenous in their needs and attitudes. Different types of variables can be used in order to segment a market and one of the requirements was that it needed to be measurable. I will be using the identified Consumer Traits and Online Behaviour variables to segment the online consumers.

5.2 Sample

The factors that I intended to examine can be applied to and investigate data population that uses the Internet and buys online. Since there are time and resource restraints, a specific population had to be identified in order to generalise and create relevant segments. I decided that the sample size should contain over 30 respondents and I collected answers from 31 respondents.

5.3 Non-Probability, Convenience Sampling

The population for this research is Students and employees, India. The Sample was chosen on a convenience basis. Convenience sampling involves using samples that are the easiest to obtain and is continued until the sampling size that need is reached. The bias with the convenience sampling is that it is hard to generalize to the wanted population.

We will attempt to collect as many respondents as possible but since I will be studying students, I assume that there will be little variation in the population making it more approved to generalize the response rates. The sampling method for students took also place on a convenience basis since the students that agree to answer the questionnaire are those that were chosen.

5.4 The Questionnaire

In order to create the questionnaire, I started out by deciding on the main variables that needed to be investigated. These were: Demographics, Webographics, Online Shopping Patterns, and Attitude towards Online Shopping, Social Characteristics, Reference Groups, and the identified factors Price, Trust, and Convenience.

For the questionnaire, which was self- administrated, I used the Delivery and collection questionnaire method. This method was mainly used because of the limitations in time and available resources. Different types of questions were set in order to be able to collect the information that was needed concerning the different topics. The examined variables were of different types. They were opinions, behaviour, and attributes.

Opinions are used to understand how a respondent feels about something, behaviour attributes are used to record what the respondent does, and attributes shows what the respondent possesses. In order to collect the correct data, I needed to ask questions with suited alternatives that we read jested to the type of the variable that needed to be examined. In our questionnaire I were only using closed questions that were of the list, category, ranking, quantity, and rating type.

5.5 Reliability

Reliability is the extent to which data collection techniques yield consistent findings, similar observations would be made by other researchers and if there is transparency in how sense was made from raw data. Reliability implies the ability of a survey to resist random errors. There may be four threat store liability:

- Subject/ Participant error: This can occur when the respondent is on a “high”, for example prior to the weekend. The opinions transmitted during this period could be overly positive, and vice versa if it is a Monday morning, when the respondent is likely to be on a “low”.

- Subject/Participant bias: This occurs for example when the respondent is answering as they think their boss would want them to answer, instead of answering with their own mindset, fearing any consequences that might fall upon them if they fail to answer correctly according to their boss.

- Observer error: This is when the observer is not collecting data as intended, and thus errors in the final research are likely.

- Observer bias: When the observer is interpreting an answer with the help of his own beliefs and values, the registered answer will be biased, and thus not represent the true answer given from the respondent.

These threats can however be reduced. A highly structured questionnaire will make the observer error almost non-existent. Guaranteeing anonymity will make a respondent more inclined to answer truthfully, since he will not be held accountable for any answer, thus minimizing the bias. Finally, the subject and participant terror can be reduced simply by choosing a neutral day to conduct the survey, such as a Tuesday for example.

5.6 Validity

Validity is the extent to which the data collection method or methods accurately measure what they were intended to measure. When a quantitative research results in a measured value that corresponds with the real value, then their search is considered to be completely valid. In that case one has measured what was intended with perfect precision. The biggest task is to create clear and non-ambiguous

questions that can be interpreted indisputable and provide us with the right information for our purpose. However, there is no guarantee that the respondents interpret the questions definitely, yet I have to assume they will and do consider the benefit of doubt.

5.7 Generalizability

This term refers to how generalizable the results of our search are, and whether the findings can be applicable too their research settings. Due to our decision to focus on students, and since this group only represents a small part of the Indian population, the results would only be generalizable, if generalizable at all, to students.

Chapter – 6

Results

Results

6.1 Introduction

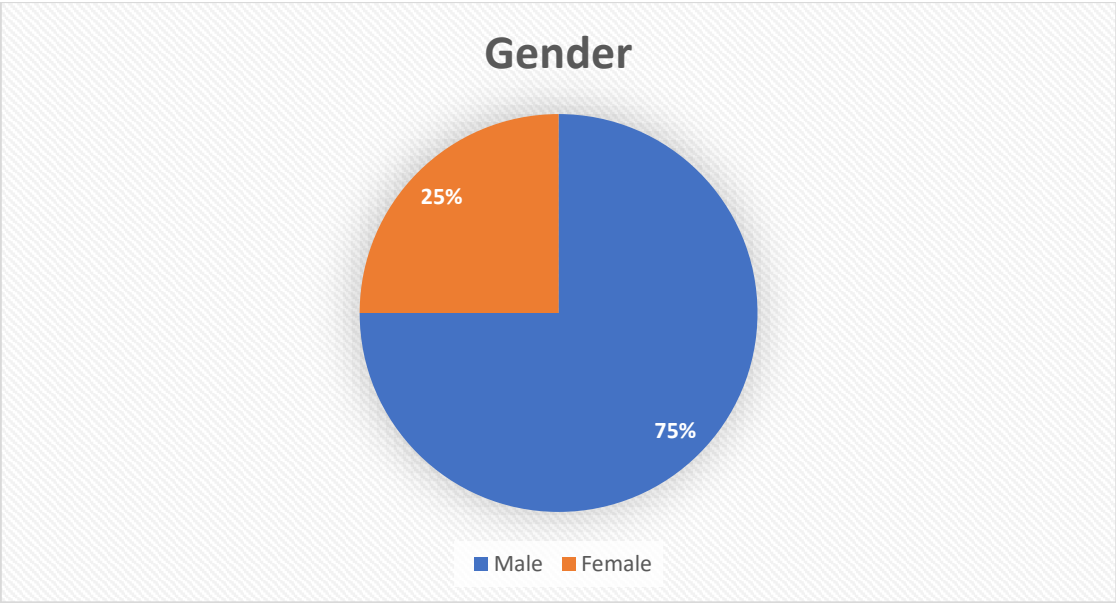
The questionnaire was designed to collect primary data in order to find first-hand information on how the respondents value the importance of price, trust, and convenience when making purchases over the Internet. The questionnaire was designed to, first, collect data that would be used to find segments among the respondents, and second, to collect data about the factors price, trust, and convenience. The questions in the questionnaire were based on the findings from the literature. Questions which were designed to collect data to find respondent segments were derived from the findings within consumer behaviour. Questions about the factors price, trust, and convenience were derived from the literature found about the factors when purchasing online. I Emailed questioner link to all the respondents through the mail and collected emails in order to make sure not to collect data from the same respondent more than once. I decided that the sample size should be over200respondents and I collected 226 respondents. In order to analyse the collected data I used the software program SPSS. The following will present and discuss the results from the questionnaire.

6.2 Questionnaire – Collected data

Q1- Gender

Gender was included in the survey in order to find out if there is a difference between men and women concerning the beliefs towards the factors. The following table will show the distribution of the male and female respondents that were included in the survey.

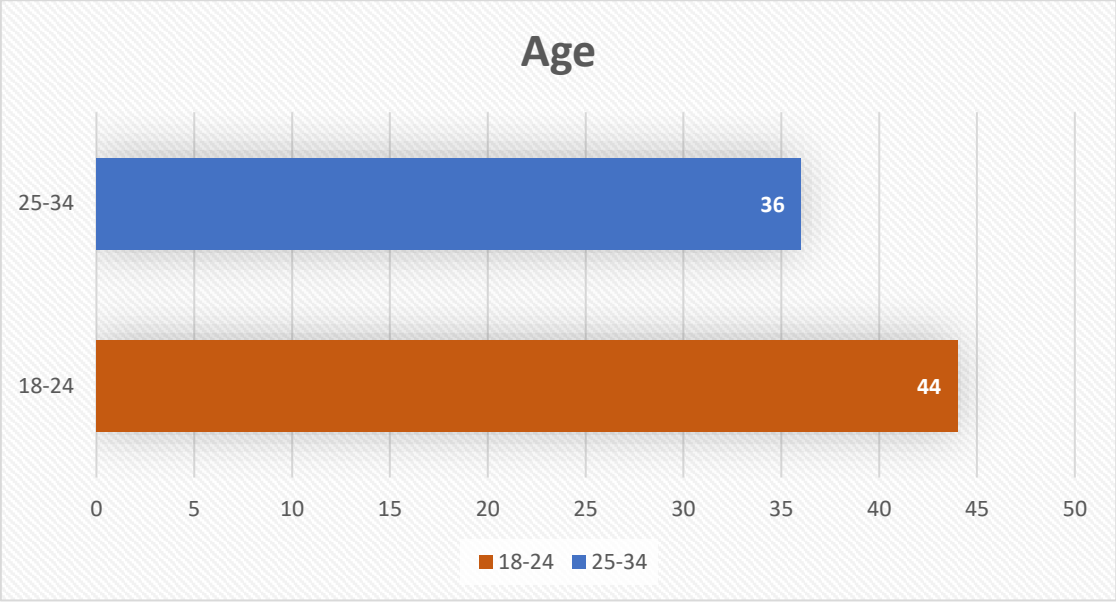
Sex	Frequency
Male	60
Female	20
Total	80



Q2- Age

Age was included to find out if there is a significant relationship to what impact the factors price, trust, and convenience have on different age groups. Age is a demographic value that can also be used in order to further explain and elaborate on some of the other questions that are used to find segments among the respondents.

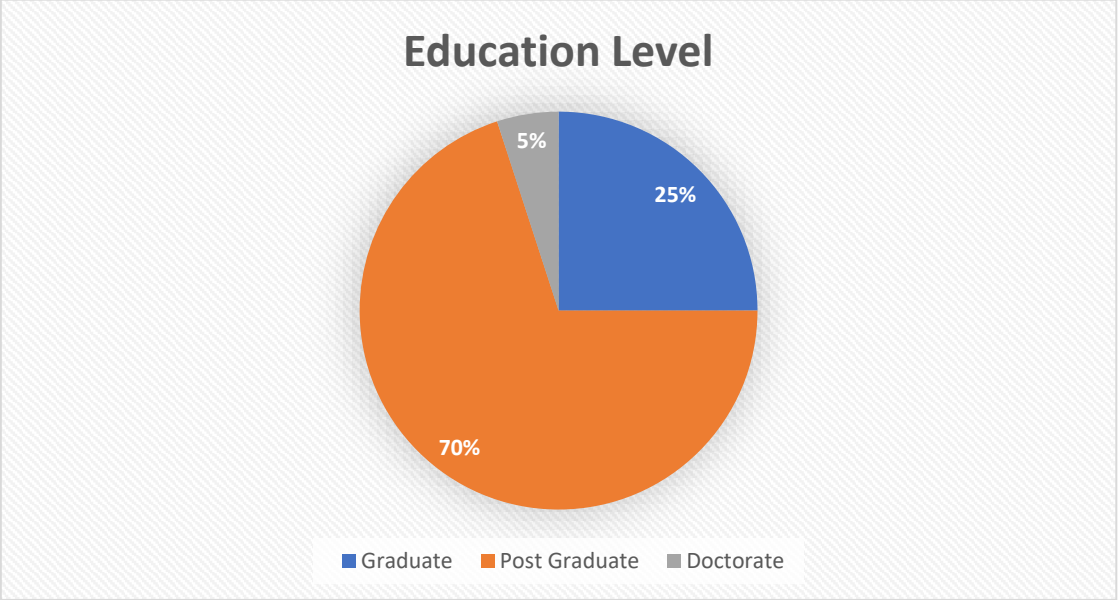
Years	Frequency
18-24	44
25-34	36
Total	80



Q3- Education Level

This graph helps us to know the education level of the people included in the survey. This helped me to understand the qualification of people to understand the purpose of this study and how the online shopping affected the behaviour of people having lower to higher education.

Level of Education	Frequency
Graduation	20
Post-Graduation	56
Doctorate	4



Q4- Have you ever done Online Shopping?

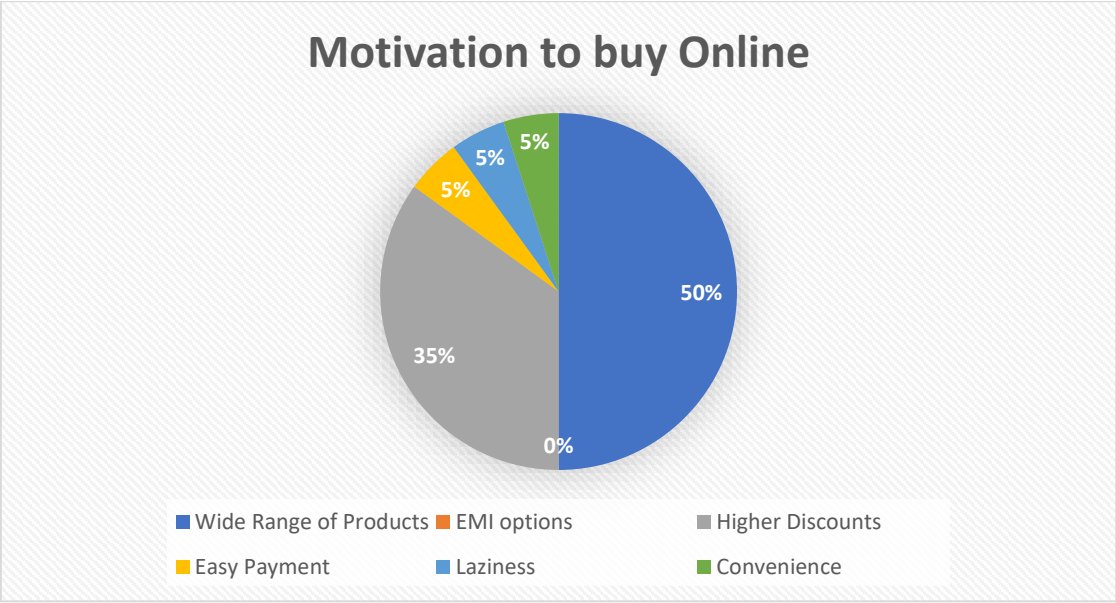
The objective of this question is to know the percentage of respondents, who have done online shopping, and aware of how to buy products online. Surprisingly, all the 80 respondents had done online shopping at some point.

Online Shopping	Frequency
Yes	71
No	32
Total	103

Q5- If Yes, then what motivates you to buy online?

This question is asked to know about the motivating factors that the respondents have to buy products online. The different factors are summarised in the table below.

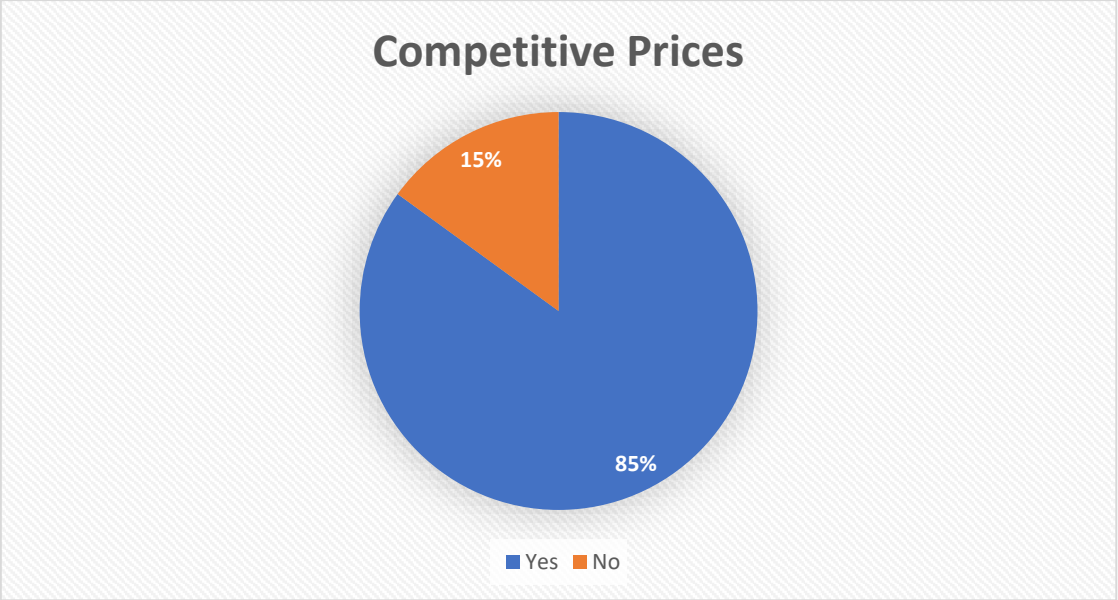
Motivation	Frequency
Wide Range of Products	40
EMI options	0
Higher Discounts	28
Easy Payment	4
Laziness	4
Convenience	4
Total	80



Q6- Do you feel Online Shopping companies provide competitive prices?

This diagram shows us that whether online marketers are giving competitive price or not and result which is came is that most of the people thought that online marketers are providing competitive prices than physical stores.

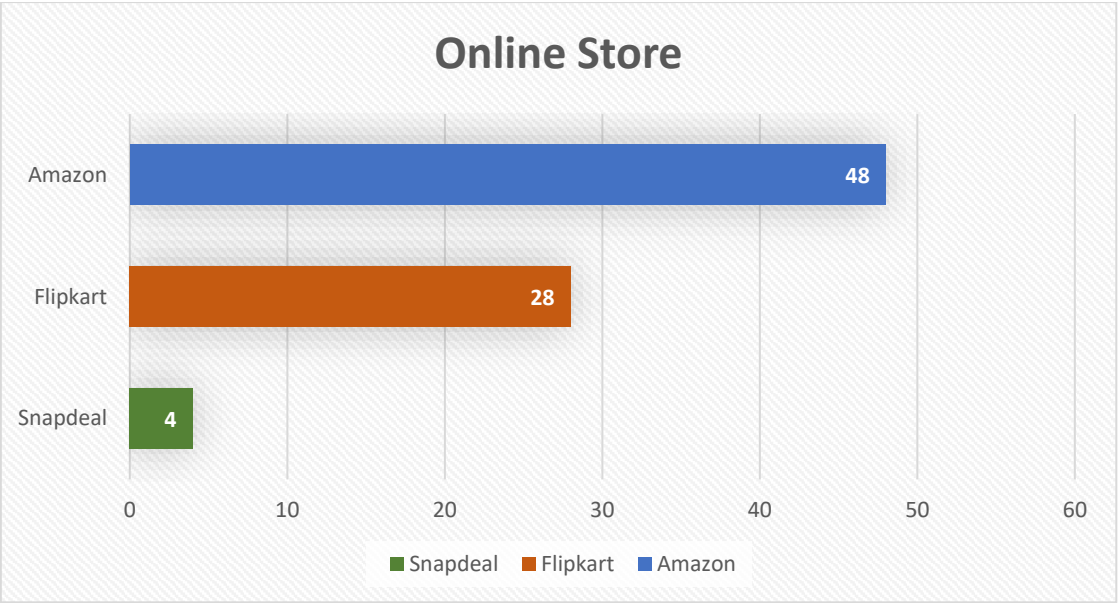
Competitive Prices	Frequency
Yes	68
No	12
Total	80



Q7- Which of the following website do you prefer buying online? (Select most preferred)

This question was to determine the preferred E-Commerce website that respondents were interested in to buy the products.

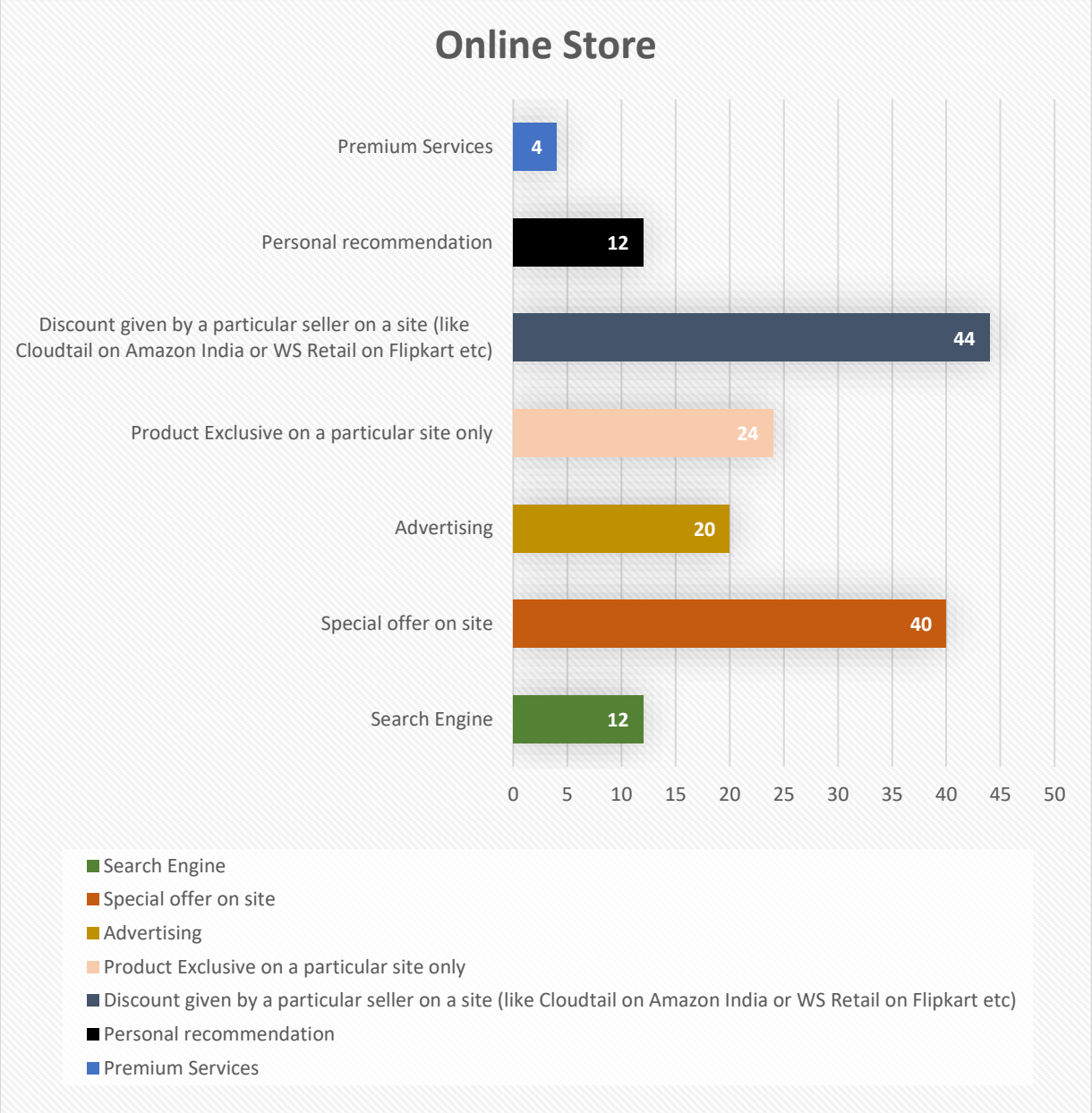
Website	Frequency
Amazon	48
Flipkart	28
Snapdeal	4



Q8- What factors help you decide which site to use for online shopping?

This question was designed, allowing respondents to select multiple options from the given set of options, to know all the different factors that users consider to buy online.

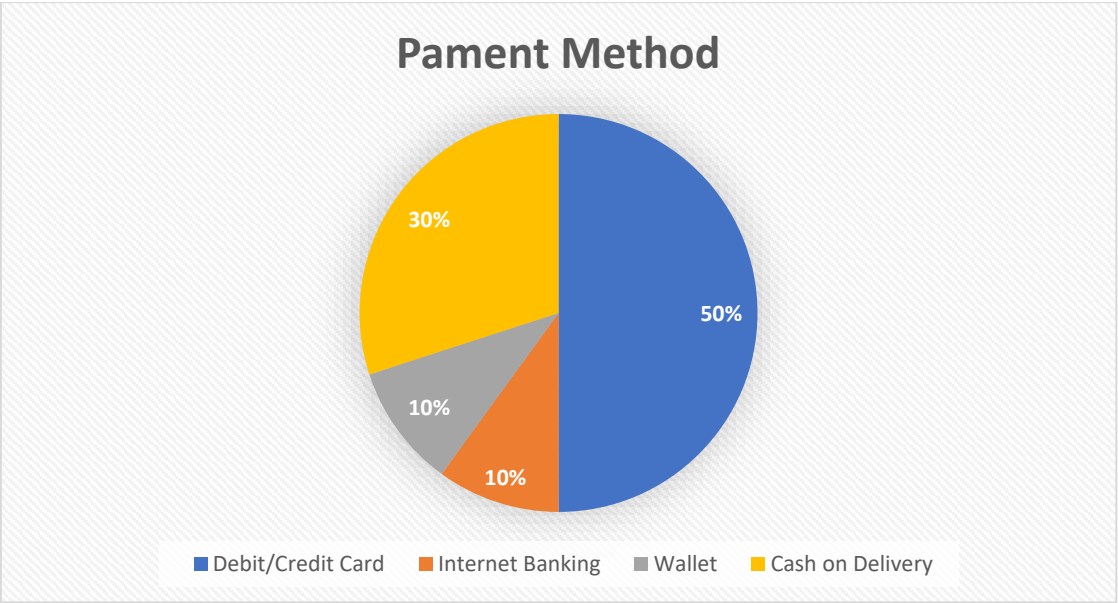
Website	Frequency
Search Engine	12
Special offer on site	40
Advertising	20
Product Exclusive on a particular site only	24
Discount given by a particular seller on a site (like Cloudtail on Amazon India or WS Retail on Flipkart etc)	44
Personal recommendation	12
Premium Services	4



Q9- How do you make payments on these sites?

This question was used to know the method of payment people were using to pay for the products on these websites.

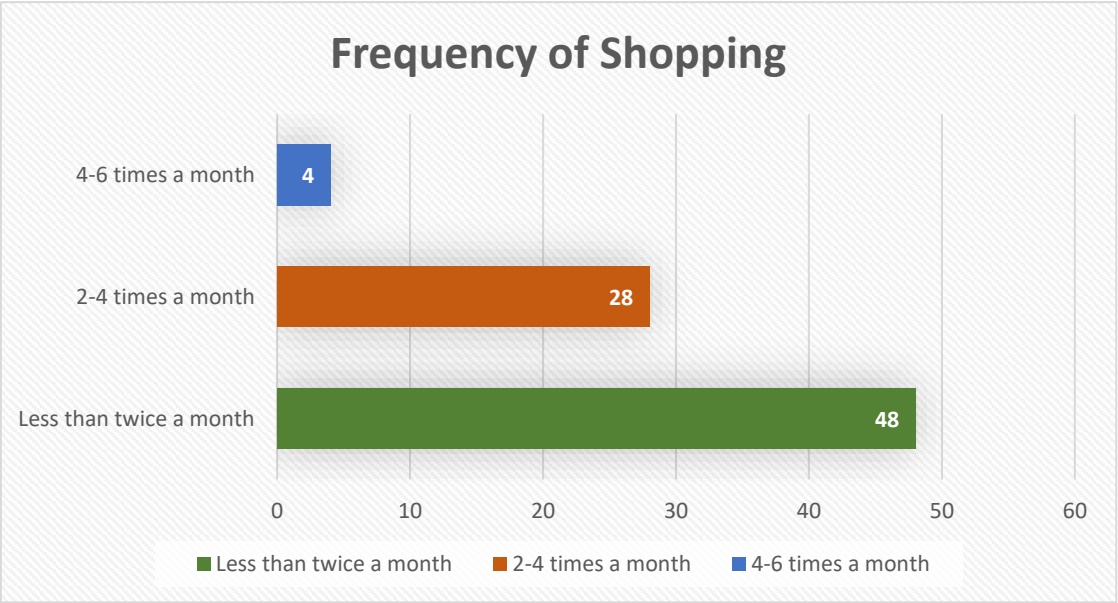
Payment Method	Frequency
Debit/Credit Card	40
Internet Banking	8
Wallet	8
Cash on Delivery	24



Q10- How often do you shop online?

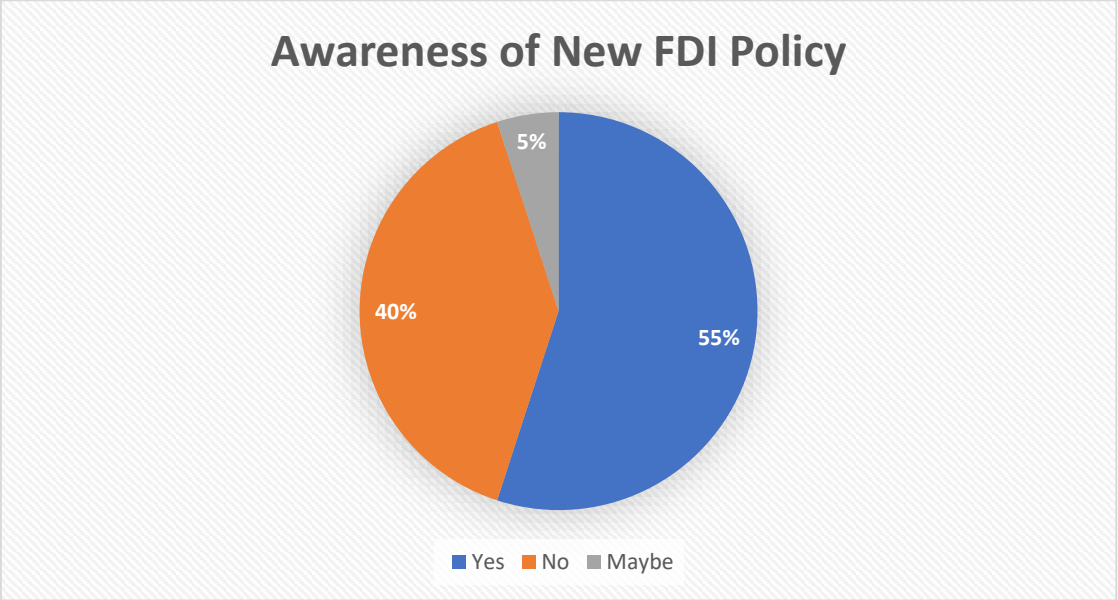
This question was asked to know the frequency of shopping online by the respondents.

Frequency of Shopping	Frequency
Less than twice a month	48
2-4 times a month	28
4-6 times a month	4



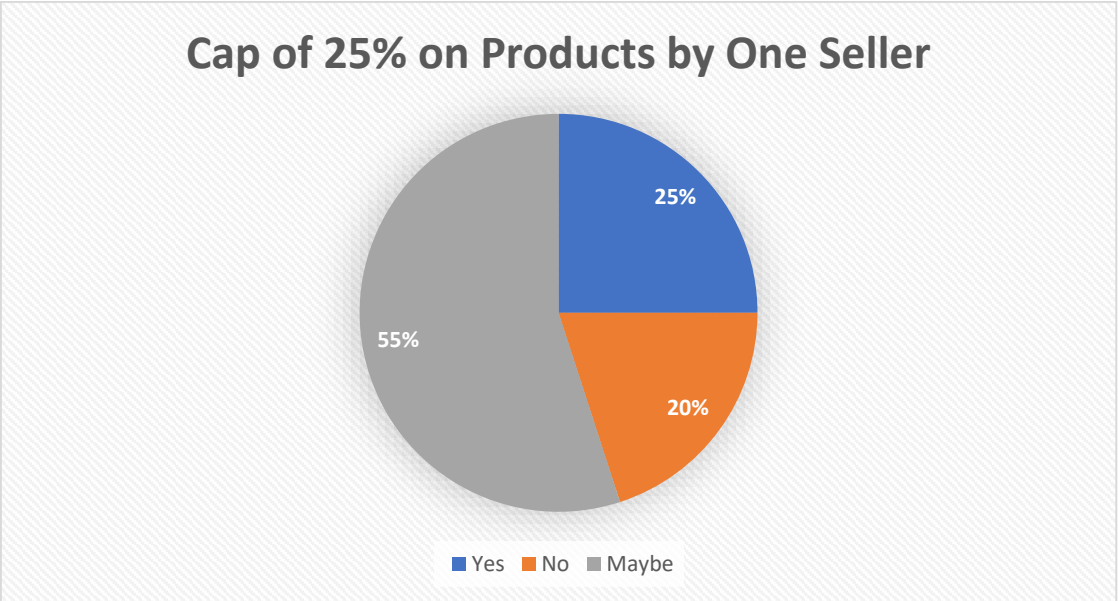
Q11- Have you heard of the new changes in FDI policy of E-Commerce by the Government?

Awareness	Frequency
Yes	44
No	32
Maybe	4



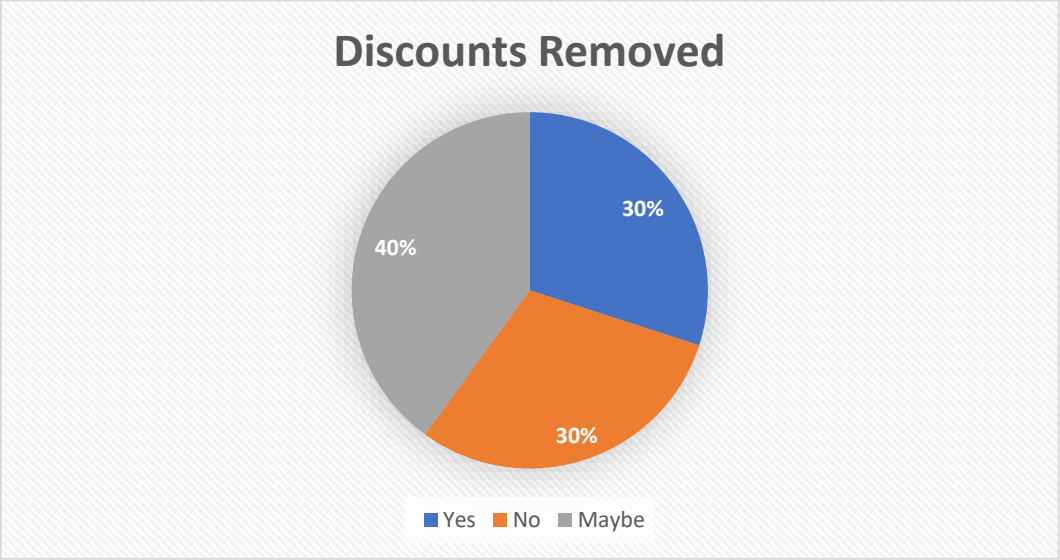
Q12- Do you feel that 25% cap on each seller for a site will lower the trends of online shopping?

Cap of 25%	Frequency
Yes	20
No	16
Maybe	44



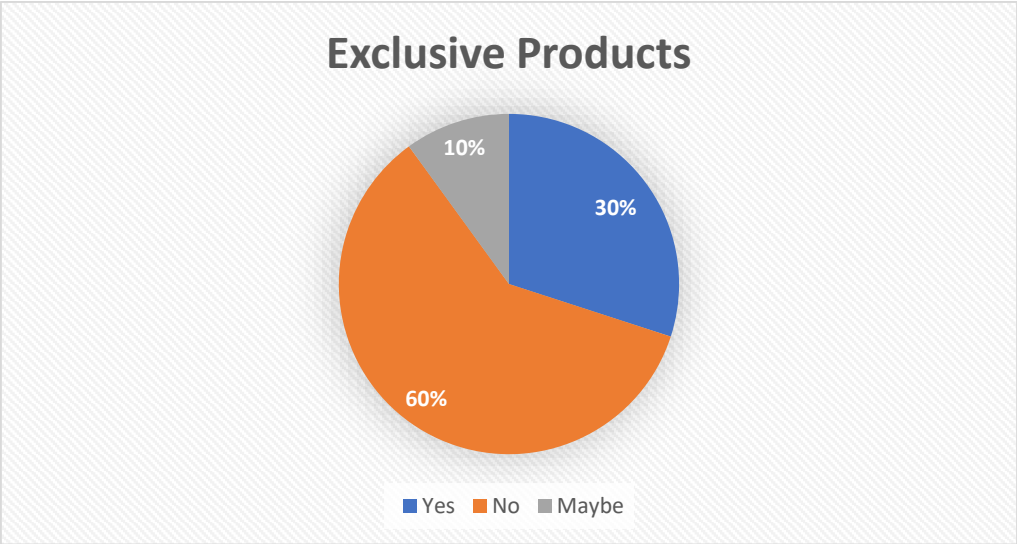
Q13- Will you still prefer buying products online if the discounts will be removed?

Discount Removed	Frequency
Yes	24
No	24
Maybe	32



Q14- Do you think exclusivity of any product on a particular website is good (Like OnePlus sells its mobile only on Amazon)?

Exclusive Products	Frequency
Yes	24
No	48
Maybe	8



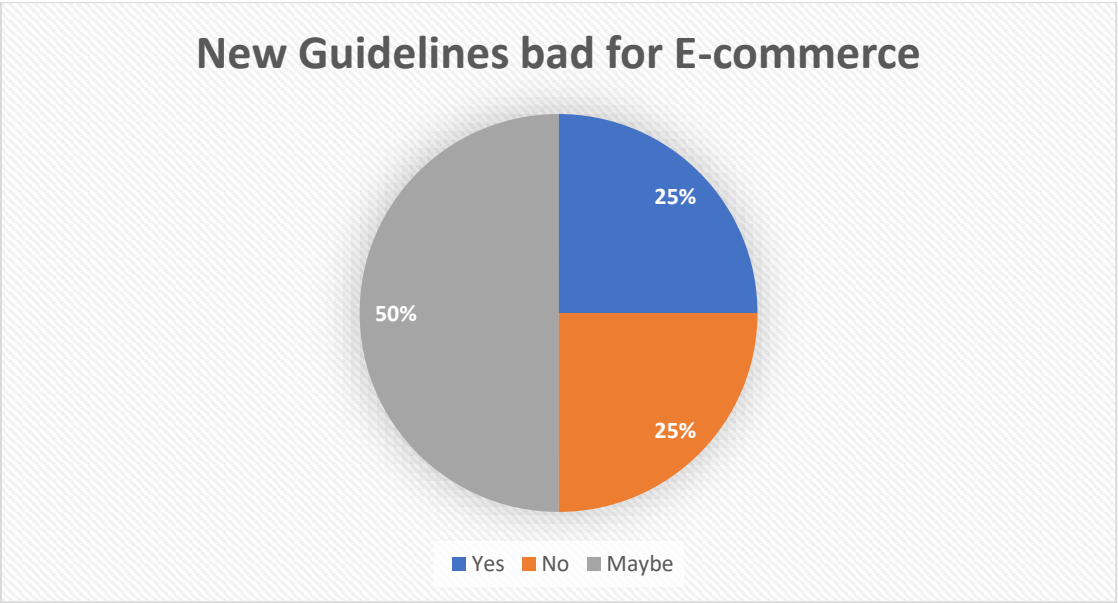
Q15- Would you prefer Brick & Mortar shops to Online shopping, if there are no heavy discounts given to customers?

Preferred Shopping Place	Frequency
Yes	24
No	24
Maybe	32

Q16- Do you feel that new guidelines are bad for customers of online shopping?

This question was asked to know how the respondents felt about the new guidelines.

New Guidelines bad for E-commerce	Frequency
Yes	24
No	24
Maybe	32



Q17- Are you willing to spend more on the products to uplift the Brick & Mortar shops, who were discriminated due to online shopping portals?

Spend more on offline stores	Frequency
Yes	12
No	44
Maybe	24

Q18- How is your experience with Online shopping?

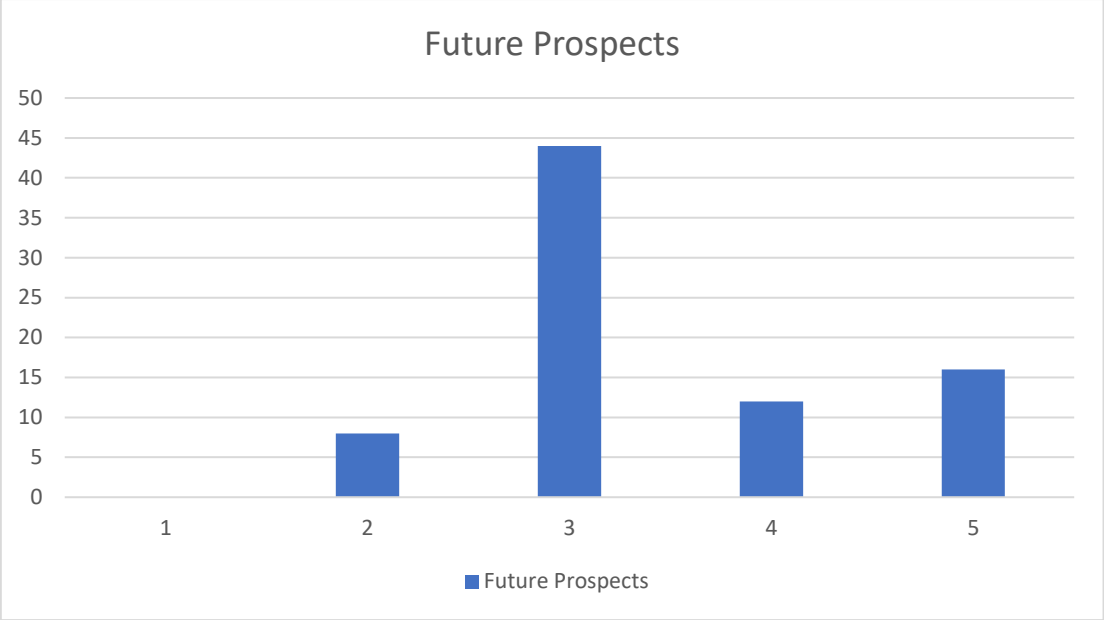
This question was asked to know the overall experience of people with online shopping. It was rated from 1 to 5.

Experience	Frequency
1 (Negative)	0
2	0
3	32
4	36
5(Positive)	12

Q19- Would you consider shopping in future with the same or higher frequency as earlier, after the implementation of new policy?

This question was asked to know the effect of new FDI policy in the buying behaviour of consumers.

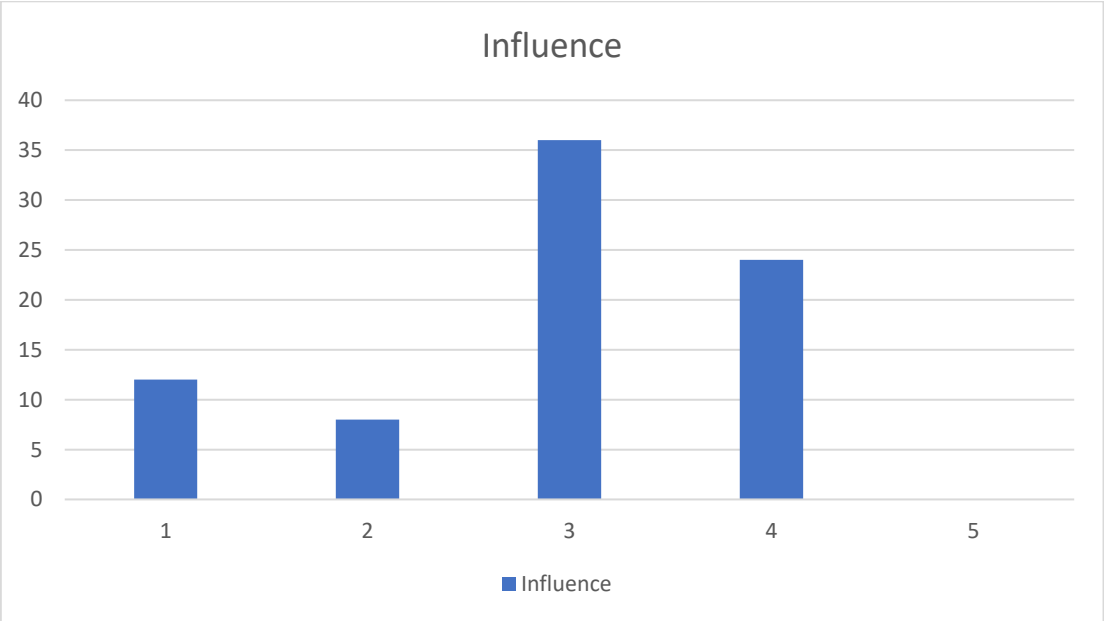
Future Prospects	Frequency
1 (Negative)	0
2	8
3	44
4	12
5(Positive)	16



Q20- How do people around you influence your buying decisions online?

This question was asked to understand how the people around respondents affect their buying behaviour on E-Commerce websites.

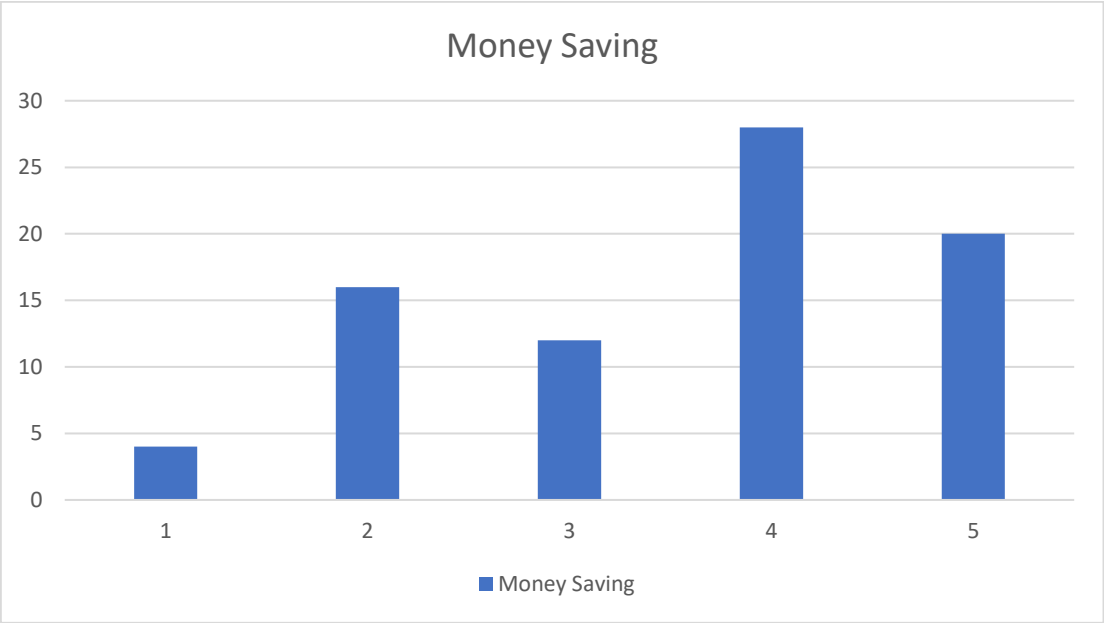
Influence	Frequency
1 (Not at all influential)	12
2	8
3	36
4	24
5 (Very Influential)	0



Q21- Is saving money your primary motive for online purchases?

The objective of this question was to understand whether the respondents cared about saving the money most on online purchases.

Money Saving	Frequency
1 (Negative)	4
2	16
3	12
4	28
5 (Positive)	20



Q22- Do you compare prices on different comparison websites?

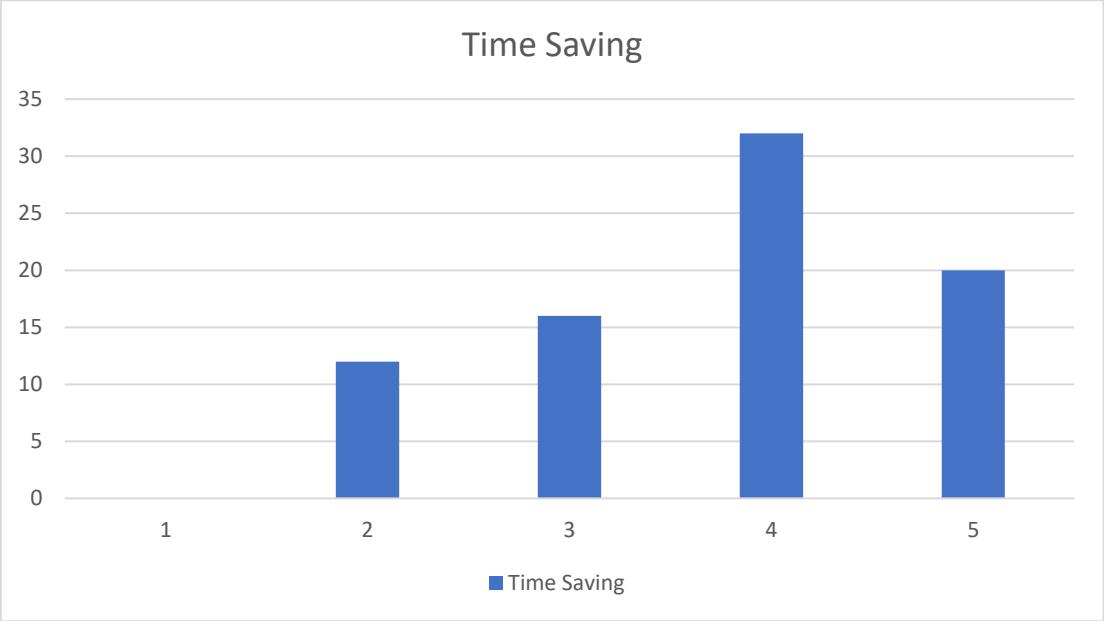
The objective of this question was to determine whether the respondents compared the prices on different websites.

Comparison	Frequency
1 (Never)	4
2	4
3	4
4	36
5 (Always)	32

Q23- Is purchasing product online time saving?

This question was asked how the respondents feel about time-saving element of online purchases.

Time- Saving	Frequency
1 (Never)	0
2	12
3	16
4	32
5 (Always)	20



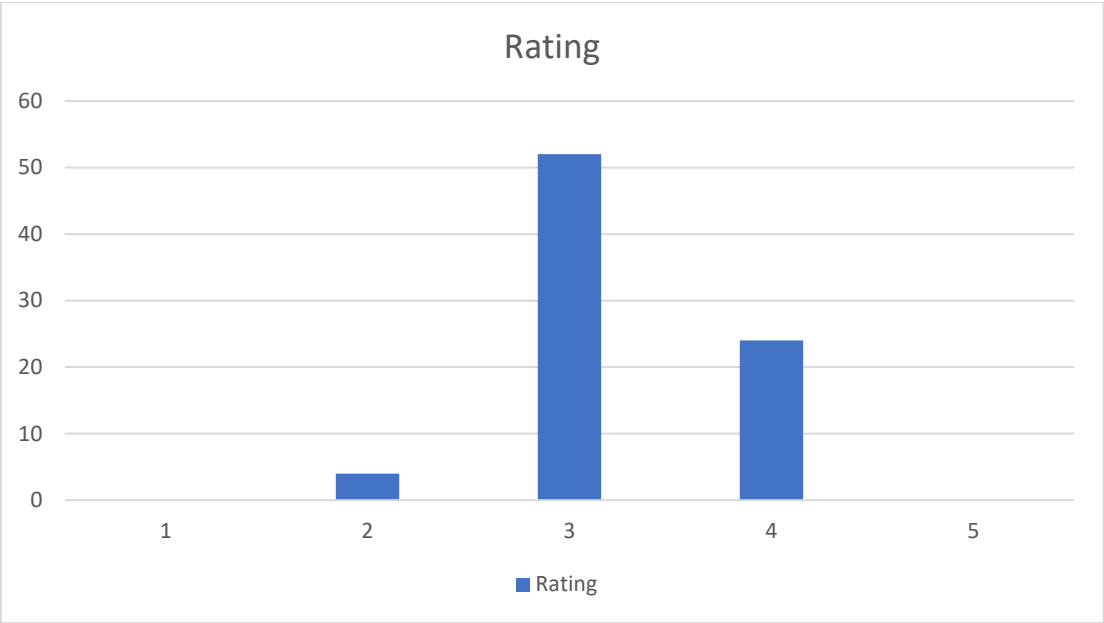
Q24- Is Online shopping still good than brick & mortar shops after the implementation of new rules?

E-Commerce or Brick & Mortar Shopping	Frequency
1 (Never)	0
2	8
3	44
4	20
5 (Always)	8

Q25- How do you rate the new policy of E-Commerce for you as a customer?

The overall rating as a customer of the new E-Commerce policy.

Rating	Frequency
1 (Bad)	0
2	4
3	52
4	24
5 (Excellent)	0


Rating
60
50
40
30
20
10
0
1
2
3
4
5
Rating

Chapter – 7

Conclusion

Conclusion

When a consumer purchases a online, he or she is affected by various factors. The main influencing factors have been identified as Price, Trust, and Convenience. The Price factor exists because prices are often lower on Internet stores compared to physical stores due to lower costs. Purchasing a online can greatly benefit the consumer in terms of convenience and saving money. It is also convenient to shop on various sites with different assortments, from the home. Trust is evidently needed since the consumer must share detailed personal and financial information when purchasing a online. These types of data include the full name, delivery address and credit card number for example, which makes Trust an important factor.

Coming to the Buying behaviour of customers by changes in FDI policy in E-Commerce, it is seen from the respondents that they are mostly neutral regarding this policy. The respondents felt that 25% cap by a particular seller will reduce the offers, but they will still continue buying online because of the inconvenience of buying offline. Also, the respondents felt that they don't want products to be exclusive on any website and there should be healthy competition on all the websites.

Future research

After having conducted our research and considering the limitations in time and resources that we had been facing, it would be of interest to examine our research topic further as well as more profoundly. Below, we have listed a few deductions for possible future research:

It would be interesting to conduct a survey at another university. If this would be done and similar results were discovered, one could apply generalizability to the results

Conduct a survey on a larger sample, also including people that are not students and segmenting according to that. This could find new segments, with new analytical possibilities.

This research was conducted from the consumers point of view, and if could also be conducted with greater focus towards the online retailer.

We found that Price, Trust and Convenience were factors that are important when a consumer decides to purchase online, but it would be interesting to see whether the concepts of these factors are perceived equally between all consumers or if there were any discrepancies.

Furthermore, it would be of interesting to see if the factors were the same for other good that are traded online. In general, this research could be conducted with a greater range of goods and with greater detail towards the specific factors.

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