

Consumer Behaviour in Online Retail in India

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Abstract: *The main objective of the paper is to find out the immediate driving factors in decision making process of online customers/customers. The paper also emphasize on the consumer behaviour in online shopping of electronic goods especially in India. E-commerce has made life simple and innovative of individuals and groups. Today the online shopping trend is gaining much popularity across the world especially in India. There is a drastic shift of customers from brick and mortar stores to online purchases. With the advent of technology and internet, the shopping is becoming more convenient through online. Online websites like flipkart, snapdeal etc. have made the customers to move to online purchases. The Internet has firmly established itself as a sales channel and has changed the commercial landscape dramatically. The gap has been finding out the difference in buying behaviour of online and offline customers.*

Keywords: *Consumer behaviour, online retail, buying behaviour*

I. INTRODUCTION

Consumer behaviour is the study of individual or groups and the process they use to select a product or service that satisfy their needs. The behaviour of customers is different in both online and physical. In modern world the popularity of internet is increasing rapidly. Today people are doing business online which has made life much easier. The online retailing is becoming an integral part of an economy and country and worldwide increasingly seeing trust and confidence in purchasing online. E-commerce is gaining several advantages by increasing user comfort online shopping experience. Online customers seek for new products, attractiveness and price compatibility. They use internet for price comparisons, search information about a product etc. which means they don't have limits to shop online. The online shopping depends upon factors like shopping incentive, shopping motive, internet knowledge and so on. Online shoppers want to gain maximum information with minimum clicks and reach information which suits their requirement such as best brands and best price and offers. E-Commerce also provides benefits to the channel partners. By using E-Commerce, the dealers of the products can save on the selling expenses. Transaction cost in between producers to ultimate consumers will reduce which they can use for expanding their business. Mode of payment is also very much consumer friendly by many online companies where the consumer need not use his/her debit or credit card due to the lack of trust and security. In this case companies are allowing Cash On Delivery (COD) and deliver the product at their doorstep.

II. THEORETICAL FRAMEWORK

Online retail attributes are categorised into four – i) merchandising; ii) customer service and promotion; iii) navigation and convenience; and iv) security[2]. Out of these four attributes the customer service and security are the important pillars that online retail stands upon. The major differences in online and offline retail are in online the customer will not be able to touch and feel the product. But in order to contradict these factors the customer service in online retail was made strong. Customer service include sales clerk for merchandise answering FAQ's and credit and payment policy etc.

The online retailers do advertisements just like offline retailers. The advantage that online retailers have is that the cost of advertisement will be very low since the ads will be in digital form. Moreover they follow the concept of viral buzz marketing. The online shopping experience will enable the customer to reduce their decision making time by providing a variety of selections. In online store the customer enjoys certain added facilities like product comparisons, reviews by customers who have used the product and also enjoys offers and discounts.

The concept of switching cost is also important. Switching cost is the cost involved when the customers change his buying pattern. When the customers move from offline to online purchase it is to be noted that the cost involved for him is zero. The customers find more convenient in online since no search cost and travelling is there. From the hypothesis from literatures it's been found that the customers who buy online are more

committed is related to information satisfactory and relational benefits. The information about the product and its reviews is an important factor which decides customer decision.

The different patters seen in customers are Browse offline buy online, browse online buy offline, complexity and consumers who browse online and buy online

Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on.

The factors that differentiate between online and offline retail are:

- Convenience: By purchasing online the customer wants just to log into an online shopping portal and just type a product that he wants in search bar. This reduces the cost of searching for a product.
- Low price: The price of products in online store is low compared to other retail stores. Since there is no cost of marketing and the margins are very low in inline retail.
- Payments: The customers can make the payments through online by the use of credit or debit cards.
- Availability: Today, with the advent of mobile devices the shopping has become much easier.

One of the ways in achieving the consumer value is through understanding the customer need. The online stores have portals where the customer can make any suggestion that customer wants. Now there are websites where one can customise his product for e.g. one can sent an images which can be printed in T shirts, as laptop skins etc. [11]

The offline revenue impact of the informational website critically depends on the product category and customer segment. Customer in a specific segment will reduce their shopping trips and online actions substitute for physical store experience. The search cost and transaction cost determines the difference. They directly influence the consumers' reservation and their readiness to pay for it. The price limits whether a product will be accepted, or if it will be bought the lasting question is where to buy, which is also determined by the price [9]. A well informed customer will be able to get a product at best price. This will lead to competition joint with better learned consumers is the foundation of falling prices in the online retail. The Internet suggest full information and will allows consumers to come up with the most economic decision. The product promotion through the online selling/marketing turns out to be a better than offline selling. The website is an online marketing medium as well as advertising content. [8]

The external and internal factors influence customers mind. According to Warner external factors are Demographics, socio-economics, technology and public policy; culture; sub-culture; reference groups; and marketing. The internal factors include perception motivation and self-image. The consumers have two types of motives, which are functional and non-functional. Time, shopping place, consumers need, parking area and lower cost of products are functional. The nonfunctional are related with brand name and social and cultural values. [7]

Potential consumers reach their purchase decision in two ways. Initially, consumers typically screen a large set of products in order to identify a subset of promising alternatives. They then evaluate the subset in greater depth, performing comparisons across many products based on some necessary attributes and make a purchase decision.[10]

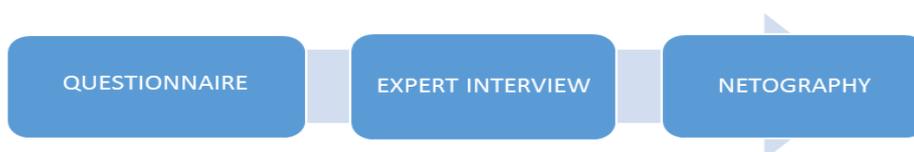
III. Methodology

For this study, we have followed the following methods for data collection.

Questionnaire: Questionnaire with 100 respondents from Amrita campus who have purchased any mobile devices from online.

Expert interview: expert interviews with the people who have changed from offline to online purchase and with the employees of the online stores to know about the change in the buying pattern

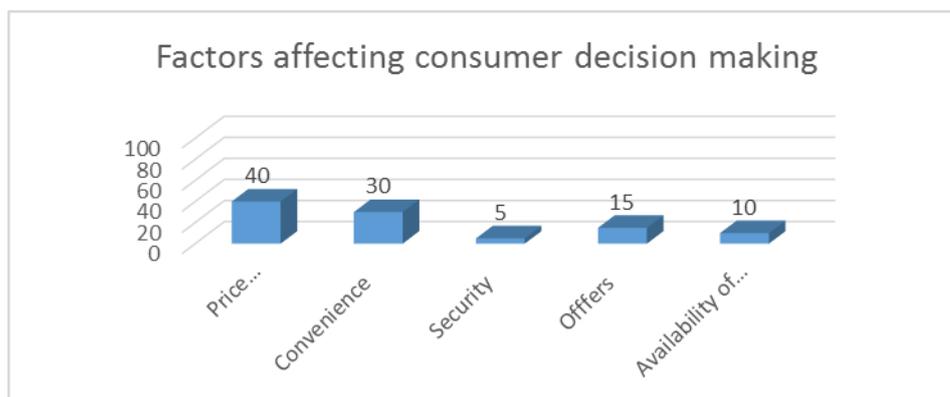
Netnography: The idea is to study the reviews of customers about their online purchase of mobile devices. By analysing the reviews about the mobile devices we could get what makes them go online for purchase.



IV. DISCUSSIONS & FINDINGS

The primary data has been collected from students between the age of 18 and 26 with open and closed ended questionnaire.

The data have been collected from 100 respondents from Amrita campus with both open and closed ended questionnaire. The respondents are students who do online purchasing. Experts' interview has been done with regularly online purchase as well as non-regular purchaser. Analysis shows that consumers/clients take online purchasing decision on the following basis: price comparison, convenience, security, seasonal and other offers and availability of the product. The graph shows that price comparison (40%) and perceived convenience (30%) are the key driving factors in the decision making of online consumer. This study also states that 5% respondent have a preference on security, 15% on various offers and 10% on availability of the product.



In summary, we can say that

- The factors that make the customer choose between online and offline is convenience and price is the major driving factors.
- The price of electronic products is low because there is no intermediary.
- The most common buying found in customers is Browse offline, buy online.

V. CONCLUSION

The online shopping is becoming a trend among Indians as they experience it is more comfortable, time saving and convenient. When consumers make a purchase online, they are affected by various factors, including price, trust, and convenience. Price is much lower on the online stores compared to brick and mortar shops. Intermediaries, physical storage, etc. are not present in online stores thus it can assist its clients with reasonably priced merchandise. The ease and comfort provided by these stores for 24x7 have made very easy shopping for consumers worldwide.

A survey was conducted to know the impact of the various factors on consumers. The result indicated that reduced price and convenience are the influential factors for customers to buy online.

Customers often are taken aback from purchasing online when it comes to touch and feel of the goods. The current trend in India is "browse offline and buy online". Customers browse various products in physical stores to have a touch and feel of the product and later they buy them online to get it in reduced price. People compare prices in online stores and then review all feedbacks and rating about the product before making the actual purchase.

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