

IDENTIFYING FACTORS INFLUENCING CONSUMER ONLINE BUYING BEHAVIOUR AN EXPLORATIVE STUDY

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ABSTRACT

Due to the rapid increase in internet users, every company wants to sale their products online. This has created a need to understand consumer online buying behaviour. The purpose of this research paper was to identify the factors that Influence consumer online buying behaviour. The qualitative approach of research methodology was used under the present study. A literature survey was done on consumer online buying behaviour from research papers, books, newspapers and websites. As this was a conceptual study so no statistical tools and techniques was adopted. When a consumer purchases a product or service online, his online buying behaviour is affected by various factors. The main influencing factors that had been identified are categorized under demographic factor, product features, Convenience factors, Time saving factors, Web design feature, Safety and Security factors and some other factors. 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.

KEY WORDS: Consumer, Convenience, Demography, Online Buying Behaviour, Online Retailer, Safety and Security, Website design.

1. Introduction

Online shopping is the act of purchasing products or services over the Internet. Michael Aldrich is the man who invented online shopping in 1979. With the rapid global growth in electronic commerce, businesses are attempting to gain a competitive advantage by using electronic commerce to interact with customers (Demangeot and Broderick, 2007). Nowadays, online shopping is a fast growing phenomenon. Online shopping environments are playing an increasing role in the overall relationship between marketers and their consumers (Koo, 2008). Consumer-purchases are mainly based on the cyberspace appearance, such as pictures, images, quality information, and video clips of the product, not on the actual experience (Brennan, 2008; Constantinides, 2004). With the increasing internet literacy, the prospect of online marketing is increasing in India. This growing and diverse Internet population means that people having diverse tastes and purposes are now going to the Web for information and to buy products and services. Thus, the impact of these online shopping environments on consumer response necessitates a critical understanding for marketing planning. Companies use effective marketing strategies taking into consideration the various factors that influence consumer online buying behaviour to increase their market share. In this paper researcher is trying to identify the factors that influence consumer online buying behaviour.

2. Need and Significance

At any given time majority of people remain online and every one of them is a potential customer for a company to increase its market share. Due to the rapid increase in internet users, every company wants to sale their products online. Because there are many potential consumers, it becomes important to understand their wants and needs. Since the Internet is a new medium where consumers have new demands every day. 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. 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.

3. A statement of the problem

An explorative study of identifying the factors that influence consumer online buying behaviour.

4. The objectives of the study

1. To understand the demography with reference to consumer online buying behaviour.
2. To describe the features of the product that influence consumer online buying behaviour.
3. To know the effects of convenience factors on consumer online buying behaviour.
4. To discuss the time saving factors of online shopping.
5. To understand the website design features that motivates consumers for online shopping.
6. To identify safety and security factors affecting the consumer online buying behaviour.
7. To provide suggestions for the online retailers in order to improve the current situation.

5. Research Methodology

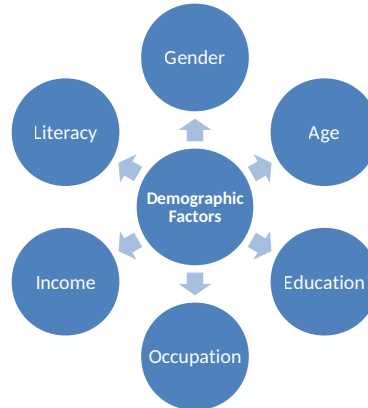
The qualitative approach of research was adopted under the present study. A literature survey was done on consumer online buying behaviour from research papers, books, newspapers and websites. As this was a conceptual study so no statistical tools and techniques was adopted.

6. Demography with reference to consumer online buying behaviour

The demographic factors positively influence purchase intention (Bellman, 1999). Miller has focused on demographics to show the profile of internet users (Bhatnagar and Ghose, 2004). Customer segmentation is important for electronic commerce success (Berry, 1999). Studies have shown that online shoppers mainly consist of people with higher education, higher income, working in middle to senior management or professionals (Kehoe, 1998 and Hoffman, 1996). Gender impact on internet usage has also been analysed from different perspectives by different researchers. A study by miller claims, cyberspace is the domain of young people (Bhatnagar and Ghose, 2004). Youth are the main buyers who used to buy products through an online (Vrechopoulos, 2001). People having monthly below Rs.100000 prefer cash on delivery and above 300000 prefer an internet banking system (Bhatt, 2017). A Higher level of literacy would

increase the internet use for online shopping. The kind of occupation determines how much amount will be spent for online shopping. The higher the income, the more chance to go for online shopping (Sunderaraj and Mareeswaran, 2017). Based on the literature review, it proves that the following demographic factors (see in figure-1) are influencing the consumer online buying behaviour.

Figure: 1: Demographic factors that influence consumer online buying behaviour



7. Features of the product that influence consumer online buying behaviour

Davis (1986) defined perceived usefulness as, the degree to which a person believes that buying a particular product or service will enhance his satisfaction. The perceived usefulness is positively related to the intention to purchase online (Pavlou, 2003). The factors like product varieties, mismatch between actual and delivered, sense of intangibility making an impact intention to purchase online (Novak, 1999). The attributes like convenience, accessibility of global brands, attractive rates and offers, had a significant relationship with an attitude toward online shopping (Wu, 2008). Attributes like less variety and physical evidence are impacting on online purchase intention (Hoffman and Novak, 1996). Intention to purchase online depends on factors like customization of products (Nysveen and Pedersen, 2004). Consumers preferred the feature of low price of product, variety of goods and product design (Sunderaraj and Mareeswaran, 2017). Based on the literature review, it is proved that the following product related features (see in figure-2) are influencing the consumer online buying behaviour.

Figure:2:Product related features that influence consumer online buying behaviour



8. Effects of convenience factors on consumer online buying behaviour

Convenience factor refers to the easiness in browsing or searching information in online shopping. Convenience has always been a prime factor for consumers to online shopping. Convenience is one of the most important advantages of online shopping (Bhatnagar and Ghose, 2004). 'Convenience and variety seeking' are major motivating factors of online shopping (Rohm and Swaminathan, 2004 and Morganosky and Cude, 2000). The convenience factor is one of the biggest advantages of online shopping (Webcheck, 1999). The online shoppers carry multiple benefits in terms of convenience, such as less time consuming, flexibility, very less physical effort etc. (Darian, 1987). The major motivation for online purchasing is convincing in terms of shop at any time and having bundles of items delivered at door step (Robinson, Riley, Rettie and Wilsonz, 2007). The convenience and navigations were reliable predictors of ease of use and shopping enjoyment. Attributes like anytime shopping is impacting on online purchase intention (Hoffman and Novak, 1996). Intention to purchase online depends on factors like easy payment (Nysveen and Pedersen, 2004). Through online purchase, consumers can easily compare the price than the traditional purchase. So price comparison is also another convenience factor of online shopping. Based on the literature review, it proves that the following convenience factors (see in figure-3) are influencing the consumer online buying behaviour.

Figure:3: Convenience factors that influence consumer online buying behaviour

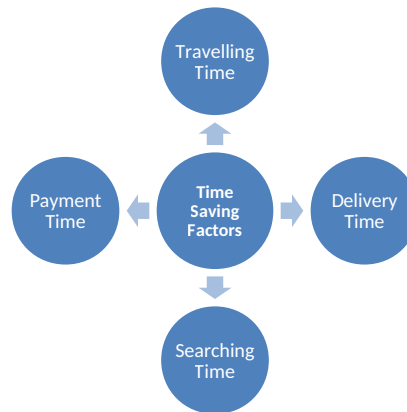


9. Time saving factors of online shopping

The time savings are one of most influencing factors of online shopping. Consumers more likely to buy on the internet are likely to be time-starved (Bellman, Lohse and Johnson, 1999). People can save time and can reduce effort by shopping online. One possible explanation that online shopping saves time during the purchasing of goods and it can eliminate the travelling time required to go to the traditional store (Rohm and Swaminathan, 2004). The delivery time, search time and negotiation are the prime factors that affect intention to buy online shopping (Sherry, 2007). Intention to purchase online depends on factors like time saving and less travel of distance (Nysveen and Pedersen, 2004). Certain attributes like long deliver time, the speed of the internet, more searching time for a specific product are closely related to intention to purchase the products through online (Mauldin and Arunachalam, 2002). On the other side, some respondent thinks that it is also the time taken for delivery of goods or services over online shopping. Unexpectedly time saving is not the motivating factor for the consumers to shop online (Corbett, 2001) because it takes time receiving goods or delivery. But time saving factor can be seen through different dimensions, i.e. "person living in Florida can shop at Harod's in London

(through the web) in less time than it takes to visit the local Burdines department store" (Alba, 1997). Time saving factor was reported to be a primary reason among those consumers who have already experienced the online grocery buying (Morganosky and Cude, 2000). So the importance of the time saving factor cannot be neglected as motivation behind online purchasing. Based on the literature review, it is proved that the following time saving factors (see in figure-4) are influencing the consumer online buying behaviour.

Figure:4:Time saving factors that influence consumer online buying behaviour



10. Website design features that motivate consumers for online shopping

Website design features are one of the important factors motivating consumers for online shopping. The website design was rated as an important factor for online shopping (Reibstein, 2000). Web design quality has important impacts on consumer choice of electronic stores (Liang and Li, 2000). Website design, website reliability, website fulfilment, customer service, website security and privacy are the most attractive features which influence the perception of the consumer of online buying (Shergill & Chen, 2005). The higher website quality, the higher consumer intends to shop from the internet (Kamariah and Salwani, 2005). Website design features of the website are important and influencing factors that leads consumer's satisfaction and dissatisfaction with a specific website (Zhang, Dran, Small, and Barcellos, 1999 and Zhang and Dorian, 2000). A significant relationship between online shopping activity and website features exists (Yasmin and Nik, 2010). Website design features can be considered as a motivational factor that can create positive or negative feelings with a website (Zhang, 1999). If a website is designed with quality features it can guide the customers for successful transactions and attract the customers to revisit the website again. However, worse quality website features can also hamper online shopping (Li and Zhang, 2002). The Web design quality or website features have a direct impact on user to shop online (Liang and Li, 2000). Higher website quality can highly influence customers to shop online (Kamariah and Salwani, 2005). Consumers preferred the feature of multiple payment gateways (Sunderaraj and Mareeswaran, 2017). The feature of customer friendliness is found to be less preferred features as compared to product features in consumer online shopping behaviour (Sunderaraj and Mareeswaran, 2017). Based on the literature review, it is proved that the following website design features (see in figure-5) are influencing the consumer online buying behaviour.

Figure:5: Website design features that influence consumer online buying behaviour



11. Safety and security factors that affects the consumer online buying behaviour.

Security is another dominant factor which affects consumers to shop online. Many internet users avoid online shopping because of credit card fraud, privacy factors, non delivery risk, post purchase service and so on. But transaction security at the online shopping has received attention. A large segment of internet users has serious concerns about security (Belanger, Hiller and Smith, 2002). Safe and secured transaction of money and credit card information increases trust and decreases transaction risk. Security is one of the attribute which limits buying on the web as they claim that there is a large segment of internet shoppers who don't like to buy online because of their thinking about the security of their sensitive information (Bhatnagar and Ghose, 2004). Trust in the internet shopping with advanced technology, and frequent online shopping to the internet being secured as a trustworthy shopping channel (Cuneyt and Gautam, 2004). The features of credibility of transactions, secured checkout and customer friendliness are found to be less preferred features as compared to product features in consumer online shopping behaviour (Sunderaraj and Mareeswaran, 2017). Based on the literature review, it is proved that the following safety and security factors (see in figure-6) are influencing the consumer online buying behaviour.

Figure: 6: Safety and security factors that influence consumer online buying behaviour



12. Other factors

The trust in a vendor is likely to affect the customer's perception of vendor's reliability and is therefore identified as an antecedent of an electronic exchange (Swaminathan, 1999). No negotiation and speed of the internet are closely related to intention to purchase the products through online (Mauldin and Arunachalam, 2002). The majority of the internet users was having a positive attitude towards online buying of products or services (Vyas and Srinivas (2002). There is a discrimination between online shopper and non online shoppers, online shoppers are more worried about convenience, time saving and selection, whereas non online shoppers are worried about security, privacy and on time delivery (Goldsmith and Bridges, 2000). There exists a need for developing awareness about consumers' rights and cyber laws. They also emphasized on better distribution system for online products.

13. Suggestions for the online retailers in order to improve the current situation

Based upon the discussion of this study, it is suggested that the online retailers can assure their consumers by offering personal information privacy protection policy and guarantee for transaction security by improving their technological systems. Retailers should be careful about the annoying factors of online shopping such as being unable to access the website, long delays in completing online orders, inconsistencies in the items available online, mistakes in filling orders, and the hassle of returning goods. Online sellers can be more concerned about delivery times and delivery charge and product return policies. They can make it easier, quicker and reliable, so that consumers can enjoy the online shopping experience.

14. Conclusion

When a consumer purchases a product or service online, his online buying behaviour is affected by various factors. The main influencing factors have been identified are demography, product features, Convenience factors, Time saving factors, Web design features, Safety and Security and some other factors. The demographic factors exist because online shopping behaviour has variance with reference to gender, age, income, education and occupation. Product features like usefulness, quality, design, price, variety, attractive offers or brand is making an impact intention to purchase online. The online shoppers carry multiple benefits in terms of convenience, such as less time consuming, flexibility, very less physical effort, shop anytime, doorstep delivery and price comparison. These benefits attract the online consumers to buy a product or service. The delivery time, search time and negotiation are the prime factors that affect intention to buy online shopping. Intention to purchase online depends on factors like time saving, less travel of distance and less searching time. Website design, website reliability, website fulfilment, customer service, secured payments, multi-payment gateways, website security and privacy are the most attractive features of online shopping website which influence the consumer online buying behaviour. There is a large segment of internet shoppers who don't like to buy online because of their thinking about unsafe payments, information privacy, non-delivery risk and post purchase services. Therefore, security and safety are another dominant factor which affects consumers to shop online. Trust is evidently needed since the consumer must share detailed personal and financial information when purchasing online. The findings of the study are supported by the study of Alam and Yasim (2010) who found that the website design, reliability, product variety and delivery performances are the four key factors influencing consumers' satisfaction of online shopping. Some of the findings of study is also supported by the study of Benedict (2001) who found that the perceptions toward online shopping and intention to shop online are not only

affected by ease of use, usefulness, and enjoyment, but also by external factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping. This paper will be very useful for the marketing planning of the companies to make online shopping more popular, convenient, reliable and trustworthy.

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