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## ONLINE SHOPPING BEHAVIOUR FROM INDIAN CONSUMERS PERSPECTIVE

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### ABSTRACT

Today's world is of electronic commerce as most of the businesses running over the internet because it has become the fastest medium of commencement of business , Companies are facing a severe competition in this dynamic world of business and they are always looking for new sphere so that they can enhance contact with consumers and for the same they are letting no stone unturned. Innovative techniques for selling of products are employed by the entrepreneurs which make transactions speedy and customers are also showing their interest in online shopping as it saves time and many more offers are provided by selling companies which attract customers .In today's era consumers are diverting their purchase from retail shops to online shopping and many factors are responsible for this change which include impact of Demographic factors of consumers on on-line shopping parameters like satisfaction with on-line shopping,future purchase intention, frequency of on-line shopping, numbers of items purchased, and overall spend on on-line shopping ,convenience , safety measures , easy access to compare price of commodities over various sites etc.

**Key words** :- online shopping, consumers preferences, buying behavior, e-commerce

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### I. Introduction

Online shopping is a form of E-commerce whereby consumers directly buy goods or services from a seller over the internet. Online shopping is done through an online shop, e-shop, e-store, Internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files. Many online stores will provide links for extra information about their

products. They often make available, safety procedures, instructions, manufacture specification and demonstration of goods .

internet technologies has created new market for manufacturers and service providers and also has provided new forms for innovative marketing strategies by the professionals. There are various reasons of shifting the customers buying patterns towards online retail shops. The facility of comparing your product with competitive products on the basis of price, colour, size and quality is one of the biggest benefits of online shopping. Moreover the product remains at its place even you purchase it. It looks hilarious but this is also one of the most significant reasons reported by the online shoppers. The other popular names provided for online shopping are virtual store, e-shop, webshop, internet shop, etc. These days Mobile commerce or m-commerce is also one of the popular means of shopping which are consider most suitable mode for online shopping. The increasing consumer base, principally of youths, is playing a significant role in the

online shopping. Through this means, the shopper can buy the product from wherever he wants. Because of wide communication network e-commerce has become the new mediator between the companies/manufacturers and their customers. The growth rate of India's e-commerce industry is fascinating. online retail has grown by 57 percent since December 2014; electronics goods and fashion contribute close to 49 percent of overall spend in e-tail. Horizontal marketplaces is the clear winner. In 2015, \$9 billion flowed into Indian startups, with ShopClues, Flipkart, Snapdeal and Paytm bringing in a fourth of the amount. In fact, Indian online commerce's big daddy Flipkart gets highest sales from mobile phones and electronic categories. Fashion, however, is where vertical players shine: Flipkart-owned Myntra, Rocket Internet-backed Jabong, and well-funded players like Wooplr, Voonik, and Limeroad are playing on a huge customer base.

## **LITERATURE REVIEW**

Geissler, (2012) The shopping motivation literature is abound with various measures of individual characteristics (e.g., innovative, venturesome, cosmopolitan, variety seeking), therefore, innovativeness and risk aversion were included in this study to capture several of these traits. Chen (2009) in his dissertation entitled "Online consumer behavior: an empirical study based on theory of planned behavior" extends theory of planned behavior (TPB) by including ten important antecedents as external beliefs to online consumer behavior. The results of data analysis confirm perceived ease of use (PEOU) and trust are essential antecedents in determining online consumer behavior through behavioral attitude and perceived behavioral control. The findings also indicate that cost reduction helps the consumer create positive attitude toward purchase.

Identifying pre-purchase intentions of consumers is the key to understand why they ultimately do or do not shop from the Web market. One stream of research under online consumer behavior consists of studies that handle the variables influencing these intentions. A compilation of some of the determinants researchers have examined are: transaction security, vendor quality, price considerations, information and service quality, system quality, privacy and security risks, trust, shopping enjoyment, valence of online shopping experience, and perceived product quality. (Liao and Cheung, 2001; Saeed et al., 2003; Miyazaki and Fernandez, 2001; Chen and Dubinsky, 2003).

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## **INDIAN E-COMMERCE INDUSTRY IS IN ERA OF INCREASING ITS SHARE –A REPORT**

After a whopping 180% growth in 2015, the Indian e-tailing industry expanded by merely 12% in 2016 to clock revenues of \$14.5 billion, research firm RedSeer today said. According to RedSeer, the biggest impact of this “adverse market condition” was faced by established players like Flipkart and Snapdeal, whose growth remained flat, if not worsened

However, new entrants like Amazon have succeeded in altering the market share game and captured big portion of the aggressively-contested industry, it added. Terming 2016 as the “speed-breaker year”, the report said the industry GMV (that was growing at an annualized triple digit rate from 2013 onwards) dropped down to about 15% in 2015

A lot of sceptics announced this as the doomsday for the Indian e-tailing market (and consumer internet in general)- with their views being further fueled by the devaluation of Flipkart, the bellwether for the industry, by various funds, it said. Considering that the e-tailing industry grew at over 100% for two consecutive years before 2016, RedSeer expects the 2020 numbers to be \$80 billion.

“For these numbers to be achieved, the industry would need to grow at 45% CAGR over the next four years, from the exit GMV run rate of 2016,” it said. RedSeer Consulting founder and CEO Anil Kumar said the Indian E-tailing players might have faced a lot of challenges in 2016, but fundamentally this sector is expected to grow 4X-5X times in the next 4 years.

“2017 will be a hotly-contested year, and will differentiate the best from the rest, and also shape the Indian e-Commerce industry for the many years to follow,” he added. The report said developments like government regulations on discounting and marketplace, demonetisation, slow new customer acquisition and funding drying up were some of the “speed breakers” of the year 2016 for the industry.

Technology and internet will play a key role in Indian retail market going forward, especially considering that retail space is expensive and the customer offline shopping experience is not world class due to lagging infrastructure and poor selection.

### **HOW INDIAN CONSUMERS GET ATTRACTED BY ONLINE LUXURY GOODS**

1. High impact of western culture – The influence of western culture over Indian retail market is the biggest driver for the rise of consumerism in luxury segment.
2. Easy and secure payment method – As nowadays mostly people shop online so in this case main issue arises for online payment security arises which has overcome by cash on delivery mode and more reliable payment gateways which ensure secure payment for online products.
3. Growing Internet Access – India is the third largest country in the world in terms of internet access. Close to 140 million Indian people are now using internet. More than 75% of the internet users in India are youngsters who like to experiment with luxury brands more often.

4. Increased awareness of luxury through Internet – Due to easy online access nowadays, people have become more aware of the high-end luxury brands, their origin, services, and their speciality. With the ever-growing E-commerce market, luxury brands have easily entered to their homes. People in India are now more aware of the various global fashion and luxury trends and more inclined to accept these trends in their daily lives.

5. High disposable income – The rise of high-income level has brought a drastic change in the spending pattern of consumers, especially youngsters. Now, people don't think much before spending on a luxury brand if it caters to their needs and required specifications. People are now more flexible in their buying approach and do not mind spending money on luxury items that add to their living standards.

6. Rising middle class – The rise of middle class in the emerging luxury retail market offers opportunity to the retailer to invest more and earn more, since the consumption rate becomes higher. Luxury brands are now focusing their attention beyond the rich and elite to cover the demand of rising middle class in India.

7. Expansion of modern retailing – The expansion of supermarkets and high-end luxury stores across India has boosted the luxury segment, providing lower prices and higher availability and higher customer awareness. The luxury online shopping portals have grabbed this opportunity to make available these high end brands to the customers at a more competitive price than the physical stores.

### **How Brands Are Targeting Indian Shoppers**

The high disposable income in combination of other key growth drivers has led to better business opportunities for luxury brands in India. Initially, when several global luxury brands opened their stores in India, they discovered that the luxury consumers, though different from the typical middle class segment, were not free from their Indian idiosyncrasies. So, instead of pursuing the disposable income curve blindly, they have come up with innovative ways to target Indian shoppers.

1. Social Media – Not too long ago, businesses were relying on market researches to understand their target customers. Now the companies are investing in understanding the social networking behavior of the customers, their choices and preferences. A study suggests that on an average an internet user spends approximately 25% of time on leading social networking sites like Facebook, Twitter others. The online luxury brands are developing innovative and appealing content to engage the potential customers. Social media advertising enables them to reactively and proactively target the potential customers.

2. Offline Stores – Today more and more online luxury shopping portals are also opting for offline retail stores. Customers intend to get a feel and touch of the product before buying. Opening up offline stores provide that opportunity while also helping the companies to collect data about the real time behavior of the consumer. The in-the-store experience gives useful information about the style and preferences of the customers, which can be used for targeting the shoppers more appropriately online.

3. Online Partnership – The online partnership with different brands allows the luxury markets to create a one stop shop destination for their customers, while also bringing some of the exclusive luxury brands to Indian market. It also allows the company to expand their target customer base and to reach and engage more people.

4. Discounts and Deals – The online luxury shopping sites come up with innovative offers and discounts that have made the luxury brands attainable for the consumers. Discounted rates have also led people to buy high-street luxury products without feeling the pinch. Whether it is luxury watches, apparels, accessories or home products, all the high end products are available on prices that are reachable by the growing middle class population of India.

5. EMI, Cash On Delivery and other – Buyers are looking for more convenience and more value for their hard earned money. They are not just looking for more competitive prices but also more perks. The bigger players have grasped this need of the Indian buyers and offer the convenience features like easy EMI, Cash on Delivery, free return and free delivery policies. This has radically affected the loyalty and confidence of the Indian the Factors of Consumer Purchasing Decision There are many factors influences and affect customers in related to how consumers make purchasing decision. The purchasing decision process starts long before actual purchase and continues long after. Usually in more routine purchases, consumers often reserve or skip some of purchase decision process (Kotler & Armstrong, 2004). The researcher used independent factors in this study.

**Search Engines** Internet users basically used search engines to find out needed information. Since search engines mainly help users' judgment to rank Websites, electronic retailers should make sure Website quality can satisfy and serve the particular search engine's demands (Haig, 2001).

### **Auction Websites**

An auction website was a productive way to have more opportunity for e-retailers to sell the products or services. Generally auction websites provide cheap price to appeal to consumers (Haig, 2001). Lui, Wang and Fei (2003) stated that auction websites persuade and attract the interested shoppers together to evaluate product value. Online shoppers bid on the products with the compared and evaluated price and auctioneers sell the products to bidders who offer the highest price.

### **Online Shopping sites**

Online shopping sites provided an unprecedented chance for e-retailers to reach a global customer base and selling various kinds of consumer products (Frendo, 1999). Many e-retailers joined with online shopping malls in order to have more customers visit their websites. The online shopping malls and Websites were sponsors by many e-retailers that utilized information generated in order to explore more marketing opportunities (Dignum, 2002).

### **Conveniences**

Convenience and saved time were offered by online shopping which were two motivating factors for online purchases (Lee, 2002). The main reason that motivated consumers to shop online was

conveniences (Swaminathan et al., 1999). Convenient access to product information could facilitate and help shoppers' making an online purchases decision (Loshe & Spiller, 1999).

### **Price**

Price was a critical factor for customer on online shopping (Heim and Sinha, 2001). However, Li et al. (1999) argued that often online shoppers were not price-sensitive, cause of these consumers' price comparisons among different e-retailers on each product was time-consuming and the price difference was very small

### **Brand**

Brand was defined as the quality related to the products or services. Often, brand was referred to the seller's reputation and consumer loyalty in associated with the seller (Haig, 2001). Brands and features increases as more information is obtained, knowledge of the available and consumer awareness (Kotler & Armstrong, 1997). E-retailers should strengthen shopper trust and believe by buying famous Website such as google.com to promote the online purchase rate (Wu,2002).

### **Refund**

Online consumers demanded that e-retailers should provide an unconditional refund policy if the online costumer were not satisfied with the product (Lee, 2002). E-retailers should have refund policies to convince online consumers that they easily return products and get refunds if they are not satisfied, or exchange products for free within a reasonable timeframe(Bishop,1998).

### **Promotion**

E-retailers might use promotions with time limits to encourage consumers to shop on Website (Haig, 2001). However, promotional activates for online products or services were not successful for e-retailers because there were not effective ways to inform consumers of promotional activities (Lohse & Spiller, 1999).

### **Security**

Security was a critical successful factor for e-commerce. Retail e-commerce would fail if Internet users feel on lacking a great degree of confidence (Kesh et al., 2002). The primary reason indicated of the most buyers who didn't shop online cause of afraid to reveal personal credit card information to retailers or over the internet (Rao, 2000)

## **CONCLUSION**

Online shopping by the consumers has provide new horizon for the enhancement of e- businesses because Online shopping has become an eminent source of shopping for the consumers as it is beneficial for them in saving time and money, security of payment through encrypted medium of payments, convenience and they also compare price and quality of various products by just one click which help them to choose best suited goods and services for them. The ease of shopping according to the preference of consumer is readily available on shopping online as it provide its services 24x7

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there is a huge scope of mushrooming e business in India as Indian masses are getting habitual of using internet, mostly young generation is keenly indulge in online shopping and the source of emerging new e-tail store on websites.

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