Impact of Demographic Factors on Online Shopping Behavior of Consumers: An Analytical Study

Murali Krishna, Research Scholar, Department of Management, Kalinga University, Raipur, Chhattisgarh

E-mail ID- muralisims@gmail.com

Abstract

The globe has swiftly adopted the internet, which is transforming how people shop and purchase items and services. In addition to completing online purchases, customers utilise the Internet to compare prices, product features, and the availability of post-purchase products from various businesses. Understanding how demographic characteristics affect internet buying in India was the study's main goal. In the contemporary research paper, secondary and primary data have been used to examine the effects of end user socioeconomic characteristics on online shoppers parameters such as trust in the online buying groceries, future purchasing behavior, increase in online weekly shop, data points of goods purchased, and government expenditures on online purchases. To acquire the information, a group of 580 interviewees from Gurgaon, Pune, Chennai, Bangalore, and Florence were polled. The study's findings indicate that several demographic characteristics, including age, genderand income, from which only one factor that is gender have a substantial impact on online purchasing in India. Researchers and practitioners may use the study's findings in the future to undertake research in a related field.

Keywords: ConsumersGoods,Online Shopping, consumer behaviour

Introduction

Background

The globe has swiftly adopted the internet, It is altering how people browse for, choose, and conduct financial transactions. Countless businesses are now using the Online services to cut their production costs and, as a consequence, decrease the price of their items and services in order to maintain a competitive advantage in fiercely competitive markets. Businesses also use the Internet to advertise their goods, get consumer feedback, interact with the customers, and disseminate information.

According to Google India, there must have been 2.5 billion active internet users in India in the first trimester of 2014, and by the end of 2022, it's expected the number would rise to 100 million. Phones and clothing make up the majority of consumers' purchase behaviour.

There are numerous hosting firms operating in India, however the most of them are not appropriate for ecommerce hosting because they offer far less risk-protected and secure shared hosting. E-commerce requires hosting that is extremely dependable, safe, and secure. In the near future, Indian e-commerce stakeholders will need to address cyber security risks affecting the country's e-commerce industry. In fact, the Indian government is preparing to quickly enact laws requiring the disclosure of cyber security breach information in India. Target Corporation recently experienced a cyber-attack that exposed them to legal risk across many jurisdictions. How successfully firms can incorporate this medium into their current business models will determine how long they can survive. They must consider who their clients are, their spending patterns, and the goods and services they prefer in order to successfully sell anything online. During the years following independence, consumption patterns saw significant changes. By providing advantages to customers that aren't typically available in a brick and mortar store, innovation is assisting e-commerce enterprises in breaking the inertia for online shopping. Business models include free product deliveries, no-questions-asked return policies ranging from 7 to 30 days, and the evolving "cash on delivery" model. Since individuals may now order things and pay after receiving physical delivery of the product, the most recent invention has greatly helped realise the potential.

Literature Review

Baldevbhai (2021) analyzed how demographic influences affect how consumers behave when shopping online. However, there is relatively little research on how consumers behave when shopping online in India in relation to demographic factors. The findings of a survey of 150 online shoppers in Gujarat show that there is no statistically significant relationship between respondents' gender and their online buying habits, but that respondents' age, income, and educational attainment have an impact on how they purchase online. ANOVA is a statistical tool used in this study to test the acquired data.

Jindal(2021) showed that the demographic profile of the buyer, which includes elements like age, gender, education, occupation, area of residence, and income, has a significant impact on online buying among a subset of respondents.

Freeman &Freeman(2011) found that 14 online grocery stores was used to construct the design, methodology, and approach used in this paper, which involved a normative task model. This expert review involved employing a reverse engineering technique to model the aspects of the retailers' ordering processes. The research results offer a model that may be applied to better comprehend the steps clients take when they shop for groceries online. The

given normative task model is anticipated to assist in the future design of online grocery stores by identifying potential errors that consumers may experience and strategies to lessen their frequency. Traditional task modelling techniques tend to ignore errors since they concentrate on successful processes.

Objectives

- To examine how demographic characteristics affect Indian customers' online buying behaviour.

Hypothesis

H_{01}: There is no significant difference between Age of consumer and online shopping.

H_{02}: There is no significant difference between gender of consumer and online shopping.

H_{03}: There is no significant difference between income of consumer and online shopping parameters.

Material and Methods

Study Design

This research was carried on the basis of primary source which included mainly online shoppers. The questionnaire sample was gathered in Florence, Mumbai, Bombay, Delhi, Milan, and Madurai. The group has been mostly drawn from major cities but also metropolises, suggesting widespread Internet use.

Data Collection

A organised and targeted questionnaire that included all the aspects of the study topics was employed to gather primary data. The research used a convenient sampling strategy to gather its data. The majority of whom are internet shoppers, made up the sample size. 598 questionnaires were sampled. After eliminating The ultimate sample size was 580 due to inaccurate replies, unsolicited questionnaire, and unfinished submissions.

Data Analysis

The ANOVA In this investigation, a test was applied to see if the predicted and actual probabilities in one maybe more divisions differed statistically different. ANOVA was employed as the data analysis method in the study in order to satisfy the research objectives and evaluate the hypotheses that were put forth.

Results and Discussions

H_{01}: There is no significant difference between Age of consumer and online shopping.

OUTPUT/DEPENDENT VARIABLE	MEAN VALUE			MEAN VALUE (total)	ANOVA F (Significance)
	20-30 years (N=207)	30-40 Years (N=199)	40-50 Years (N=174)		
Satisfaction with online shopping	3.6	4.9	4.63	3.74	.967(.403)
Future purchase on Internet shopping	2.6	3.8	2.75	3.73	.152(.962)
Frequency of online shopping	2.8	1.6	1.87	1.52	1.45(.27)
Number of items purchased on Internet shopping	3.6	2.4	2.37	2.47	.104(.902)
Overall spend on Internet shopping	1.9	2.9	2.86	2.66	.003(.997)

The findings indicate that age as a demography component has no bearing on internet buying in India. The scientific process is thus acceptable..

H_{02}: There is no significant difference between gender of consumer and online shopping.

OUTPUT/DEPENDENT VARIABLE	MEANVALUE		MEAN VALUE (total)	ANOVA F(Significance)
	Male (N=331)	Female (N=249)		
contentment with electronic shopping	3.2	4.4	3.75	.007(.926)
prospective online purchasing purchases	3.8	3.9	3.20	.758(.399)
How often do consumers purchase online?	1.34	2.40	1.68	**3.4(0.08)**
multitude of things bought via online purchases	2.8	2.5	2.40	0.40 (0.89)
total amount spent on online browsing	2.9	3.8	2.10	1.511(.341)

Results indicate that women (2.40 times as often as men) make purchases (1.34). This indicates that, in comparison to men, who only shop online once or twice a month, women shop 3–4 times every month. The outcome may be explained by the fact that women are more prone than men to make impulsive purchases, are more likely to be drawn to promotional offers made by online merchants, and as a result, make more purchases through online stores. Therefore, null hypothesis is rejected.

H_{03}: There is no significant difference between income of consumer and online shopping

OUTPUT/DEPENDENT VARIABLE	MEANVALUE (Rupees. in thousands)			MEAN VALUE (total)	ANOVA F(Significance)
	10-20 (N=207)	20-30 (N=199)	30+ (N=174)		
Satisfactionwithonline shopping	4	4.2	4.63	3.74	.870(.52)
prospective online purchasing purchases	3	3.8	4	3.71	.377(.81)
How often do people purchase online?	1	1.6	1.69	1.53	.427(.82)
quantity of items bought via online shopping	3	2.4	2.37	2.46	1.049(.90)
total amount spent on online shopping	2	2.8	2.75	2.78	.389(.56)

The findings demonstrate that affluence, being one of the socioeconomic characteristics, has no impact on internet buying inIndia as for 10-20, 20-30 and also for 30 thousand and more. Therefore, null hypothesis is accepted.

Conclusion

The ANOVA results for customers' responses across various demographic characteristics demonstrate that gender has a favourable impact on how frequently they shop online. The aggregate findings demonstrate that respondents had a favourable opinion of internet purchasing. This amply justifies the nation's projected expansion in internet commerce. The study's significant characteristics and aspects can be used by online retail companies to create their country-specific strategies and goals. In an online shopping environment, firms can give priority to implicit and explicit consumer requirements. The outcomes can be used by a variety of organisations to pinpoint their ideal customer.

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