

A Study on the Factors Influencing Online Purchase

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Abstract

Shopping is the second nature of modern mankind. Shopping has seen evolution and revolution over the period of time. One of the biggest revolutions that the world has seen in the shopping process is the advent of the internet. The Internet has changed the way we buy our things today. It has changed how the businesses perform and also the way the customers purchase the product and services of the business concerns. Online purchasing is the in-thing now. It is the millennial way of thinking and way of purchasing. Even the Indian scenario has seen and felt this transformation. Indian online business has a yearly development of 35% from 2009 to \$28 billion every 2016 and furthermore it is normal that they will reach \$70 billion by 2020. Online business gives preferences to both the Business supplier and buyers. For the business it is less demanding to advertise a specific item with ease and furthermore the item effectively achieves the worldwide market. For the purchasers they can purchase items from home, so no repetitive work in purchasing and they can exchange at their convenience. Web based business hence has a more prominent advantage given it is extremely secure. This research paper aims to examine the online buying behavior of consumers. The paper also attempts to study the factors influencing such online purchase.

Keywords: online, consumer buying behavior, advertise, ecommerce, internet

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1. Introduction to Ecommerce

Ecommerce or online shopping is the buzzword now for everyone across the globe. Ecommerce basically means buying and selling through the internet. Ecommerce encompasses a number of business or economic activities on the net, right from the most common activity of online shopping to online payments. Online shopping is a type of electronic business which enables customers to make their purchases from a vendor over the web. In nations like India however, ecommerce has just crossed its nascent stage. Retailers are progressively offering products and enterprises through the web.

“The growing e-commerce and internet as information-channel makes it necessary for companies to know the behavior of their customers on the internet (Lohse, Bellman, and Johnson, 2000). Advertisers could perform better in the event that they comprehend and know their clients well. It is fundamental for advertisers to comprehend the choices that purchasers make and how online buyers experience their buying process and choice procedure.”

Web-based business is developing quickly and has infiltrated all ventures. Online business incomes in India will increase by an excess of five times by 2017. This pattern is aided by the decreasing cost of operation in web based business because of the foundation of benchmarks for access and directing exchanges. Given the capability of online business, the quantity of electronic stores has expanded at a phenomenal rate in the past five years. Furthermore, online stores offer purchasers the accommodation of putting orders momentarily from the solace of their website and application. Web based shopping conducts the way toward obtaining items or administrations through the Internet.

India's retail showcase is required to develop at a Compound Annual Growth Rate (CAGR) of 10 for each penny to US \$1.6 trillion by 2026 from US \$641 billion of every 2016. While the general retail advertising is relied upon to develop at 12 for every penny for each annum, current exchange would extend twice as quick at 20 for each penny for every annum and customary exchange at 10 for every cent.

India's Business to Business (B2B) web based business showcase is relied upon to achieve US\$ 700 billion by 2020. Online retail is required to be on par with the physical stores in the following five years.

Online business is the division of electronic business and is the way toward purchasing or offering overweb, much like promoting however on the web. At first when Tim Berners-Lee modified the web, internet business was predominantly intended to do Electronic Fund Transfer (EFT) and Electronic Data Interchange (EDI). Later as the web expanded, the internet business was added. What's more, with the improvement of E-Commerce the Federal Trade Commission (FTC) began controlling the exercises of E-Commerce. Web-based business incorporates anything from purchasing a virtual substance for momentary usage to purchasing merchandise for residential purposes.

2. Overview of Literature

(Michaud-Trevinal, A & Stenger, T., 2012), this research tackles the issues of shopping experiences in an online environment. This paper examines online shopping experiences from three aspects: the physical, ideological and pragmatic dimensions. The results highlighted the three proposed dimensions and underline the core issues of online trust (or mistrust), age and online social interactions with friends. The appropriation process of commercial websites is also considered.

(Rahman M. A., et al. 2018), this study is undertaken to understand the behavior of online shoppers through a self-constructed questionnaire of 160 respondents from Dhaka city. The survey reveals that consumers shop online to save time, and for the varieties of products and services available. Both male and female both exhibit similar behavior towards the liking and disliking factors; they like home delivery facilities and dislike inability to touch and feel the product most. They acquire online shopping information from websites especially from social networks and purchase apparels, accessories mostly through cash on delivery method of payment. Most of the consumers are concerned about

the security of the payment system, and their overall online shopping satisfaction is mixed.

(Nagra & Gopal, 2013) The research paper has used Qualitative and Quantitative research methods to study the impact of consumer Demographic factors on on-line shopping parameters like satisfaction with on-line shopping, future purchase intention, frequency of online shopping, numbers of items purchased, and overall spend on on-line shopping. The data was collected through Questionnaires. The results of study reveal that on-line shopping in India is significantly affected by various Demographic factors like age, gender, marital status, family size and income. The results of the study could be further used by researchers and practitioners for conducting future studies in a similar area.

(Prasad & Aryasri, 2009) say that Internet business has made exchanges less demanding and online stores offer purchasers benefits by giving a greater assortment of items and administrations that they can browse. Consumers can discover a wide range of items which may be accessible online from anywhere in the world. Most organizations have their own sites to offer items or administrations on the web, regardless of whether they have their front store or not.

(Abadi et al., 2011), Iranian studies show that social impact affects online buy conduct. Specifically if a man sees that his companions, friends and relatives are utilizing web based shopping then he or she can likewise operate web based shopping effortlessly.

(Jun & Jaafar, 2011), business upset is a decent illustration which is given by web based shopping. Web based business' is encountering a time of quick improvement in China; for the development of the web based shopping market, a huge number of Internet clients provide a decent business. Subsequent to examining and investigating distinctive factors, this exploration found that there were connections between the apparent ease of use, security, and protection, after- deals benefits, promoting blend, notoriety and customers' disposition to using internet shopping in China. Be that as it may, just showcasing blend and notoriety were essentially impacting customers' state of mind to receive web based shopping.

In the wake of concentrate this diary we ready to comprehend customers' online buy conduct.

(Barnard & Wesson, 2003), This article discusses how clients might be set up to visit and peruse a particular website, notwithstanding using the visit for data gathering purposes, yet they don't have satisfactory trust in the webpage to actually go through an entire online buying process. It incorporates different issues, like client bolster and looks at how trust can make the website convey what it guarantees, when it guarantees and whether there would be after-deal administration and support .They assert that trust is accordingly one of the primary basic achievement factors for the survival associations on the web.

3. Research Methodology

3.1 Objectives of the Research

1. To examine the buying behavior for Products online.
2. To examine the factors influencing online buying of goods

3.2 Hypothesis

H1: There is a significant relationship between price and intention to purchase goods online.

H2: There is a significant relationship between convenience and intention to purchase goods online.

3.3 Research Design

The research is an explorative study in which it has primary data and secondary data. Survey method is used to examine the facts. The sample size is 300 customers who purchase goods online. And the survey is based on a questionnaire method.

3.4 Sample and Sample Size

The factor that is proposed to be looked at can be connected to and explored in Bangalore populace that uses the web and purchases electronic products. The strategy for testing samples here is judgemental sampling. Since there is time and asset limitation the populace had been drawn closer with a specific end goal to sum up

the outcomes incorporating 300 respondents. The questionnaire was circulated in Bangalore city.

3.5 Data Collection

Information is gathered through the way of primary data that is the method of questionnaire. Essential information is gathered particularly to answer the reason and research inquiries of the current research. The information is accumulated by the author of the current study and the measurable instruments utilized are the correlation and descriptive statistics and also reliability test to show the impact of the questionnaire. Secondary information is information that has been gathered before, to satisfy the motivation behind some other investigation.

3.6 Limitations

1. Survey was limited to a specific age group on the grounds that respondents willing to fill the questionnaire are mostly undergraduates.
2. Analysis was done in view of sincere belief of independent response, not from any concentration gatherings or specialists.
3. Respondents are confined because of age gathering and different variables.

4. Data Analysis and Interpretation

Table 1: Table showing Age of the respondents

Options	No. of Respondents	Percentage
18-25	135	45
25-35	100	33
35-45	40	13
45-55	15	5
Above 55	10	3

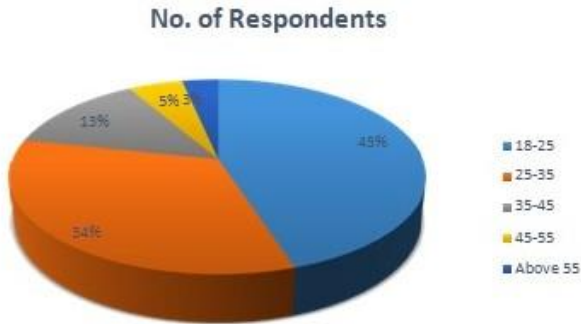


Chart 1: Chart showing Age of the respondents

Data Analysis and Interpretation

The table shows that 45% of the respondents are of an age group between 18 and 25, 34% of the respondents are of an age group of 25 to 35, 13% from 35 to 45, 5% of the respondents between 45 to 55 and 3% of the respondents are above 55 of age. This clearly states that the maximum number of the respondents are found in the age group between 18 and 25 which means that they are students or passed out graduates. The next largest age group is between 35 and 45.

Table 2: Table showing Monthly income of the respondents

Options	No. of Respondents	Percentage
Less than 25000	109	36
25000-50000	133	44
50000-75000	30	10
Above 75000	28	9

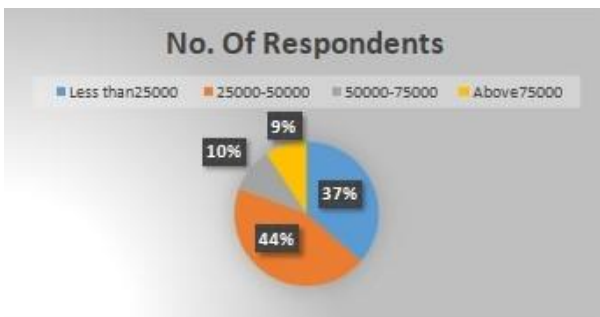


Chart 2: Chart showing Monthly income of the respondents

Data Analysis and Interpretation

The table shows that 37% of the respondents belong to the income group of below 20000p.m and 44% of the respondents have a monthly income from 25000 to 50000 and 10% of the respondents have a monthly income from 50000 to 75000. The remaining 9% is in the income bracket of above 75000p.m.

Table 3: Table showing frequency of purchase for goods online

Options	No. of Respondents	Percentage
Regularly	58	27.8%
Occasionally	119	56.9%
Rarely	25	12%
Never	7	3.3%



Chart 3: Chart showing frequency of purchase for goods online

Data Analysis and Interpretation

The table shows that 46% of the respondents shop regularly for goods online while 32% of respondents' purchase goods online occasionally. Another 17% of them purchase rarely and the remaining 5% never shop goods online.

Table 4: Table showing preference of the website to purchase products online

Options	No. of Respondents	Percentage
Amazon	115	55%
Flipkart	87	41.6%
Snapdeal	2	1.4%
Others	4	2%



Chart 4: Chart showing preference of the website to purchase products online:

Data Interpretation and Analysis

37% respondents have chosen Amazon as the most preferred online website to purchase goods online. The next 29% of respondents have chosen Flipkart as their choice for most preferred website. The next 16% of the respondents have selected Snapdeal and the rest are evenly distributed among other web portals. This clearly shows that customers are more interested in purchasing through Amazon.

Table 5: Table showing Factors influencing to make purchase of products online

Options	No. Of Respondents	Percentage
Best prices	100	33
Time saving	70	23
Convenience	51	17
Not available in stores	39	13
Range varieties	22	7
Others	18	6



Chart 5: Chart showing Factors influencing to make purchase of products online

Data Analysis and Interpretation

38% of the respondents have said that the most influential Factor is that the online stores give products at Best prices. And the next 23% and 17% of the respondents have told their influencing factors are time saving and convenience.

The next 13% of respondents selected finding products that are not available in stores as their influencing factor and 7% of respondents have selected range varieties as the factor that influences them to make purchase online and the rest 6% have given their own options.

Table 6: Table showing that there is ease of comparison of products and price online

Options	No. of Respondents	Percentage
Strongly agree	68	23
Agree	185	62
Neutral	33	11
Disagree	6	2
Strongly disagree	8	3

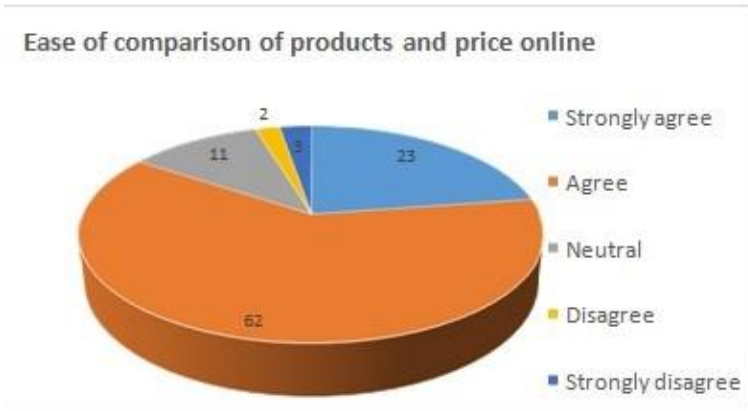


Chart 6: Chart showing that there is ease of comparison of products and price online

Data Analysis and Interpretation

62% of the respondents have agreed that there is ease of comparison of products and prices in online purchase. 23% of the respondents have strongly agreed on this. But 11% have opted for the neutral option because they are not clear in the option. And finally the rest 2% and 3% have opted to disagree and strongly disagree respectively, which says that these people have told there is no ease of comparison.

Reliability Statistics: Case Processing Summary

		N	%
Cases	Valid	208	100.0
	Excluded ^a	0	.0
	Total	208	100.0

- a) List wise deletion based on all variables in the procedure

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.573	.540	14

4.25 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	208	1	4	1.48	.688
Monthly income	208	1	4	1.53	.742
Frequency of purchase	208	1	4	1.91	.727
Preference of website	204	1	3	1.45	.528
Factors influencing to purchase online	134	1	5	2.10	1.110
Ease of comparison	208	1	5	2.12	.903

Summary of Findings

After analyzing the information, certain discoveries have been attracted to show that the principle factors influencing shoppers to buy merchandise online are convenience, assortment and better cost. Analyses of the respondents have demonstrated that the 18-25 age group frequently picks shopping on the web for such reasons as absence of time and an extensive variety of items. The most gainful factor of shopping on the web was recognized as a convenience to look at costs and purchase at a lower cost. More such findings are given below

- The research Study reveals that there is a significant relationship between price and intention to purchase goods online.
- It is also evident from the study that there is a significant relationship between convenience and intention to purchase goods online.
- The study also proves that there is a significant relationship between variety and intention to purchase goods online.
- 43% of the customers that use online to purchase products are aged between 18-25 as per the findings of the study and

this can also be because youth use more of the internet and smartphones and they are more into technology.

- Most of the consumers who are purchasing goods online have their monthly income above Rs.25000 as per the study. So the price of the product really plays a role where it is found that there are products available online for better prices than at the stores.
- Amazon is the most preferred website for purchasing products online as per the study. 55% of the respondents have selected Amazon out of many other channels or websites.
- The research also reveals that the major factors that influence respondents to do online purchasing are best prices, time saving and convenience.

Some of the respondents selected products that are not available in stores as their influencing factor and some respondents have selected range varieties as the factor that influences them to make purchases online.

Conclusion

Online shopping has become a buzzword now. With the advent of internet and smartphones

Consumers are more and more inclined towards online shopping. Online shopping gives consumers the flexibility to shop anytime from anywhere. Apart from convenience of time and comfort of shopping location, online shopping also offers the benefit of discounts from the companies which are the most important attraction for the buyers. Online shopping also facilitates comparison of products, brands, prices, etc. in a click's time. The main aim of the study has been to identify the factors that influence consumers to buy goods online, to identify various factors used by the online channels which drive the consumer's intention to buy goods and to identify the channels or websites used by the consumers to purchase goods.

From the analysis it has been identified that while purchasing production line there is more ease in comparison of the different products and prices of those products than purchasing in retail stores. Most of the consumers feel that there are rare products available online which are not in any retail stores. Before buying products online, most of the consumers visit retail stores to compare the products.

The rise of online diverts in a market can convey significant changes to the market yet in the meantime it can likewise influence the way people purchase and consume and resultant effect on the way traders trade.. Online channels are yet to completely set themselves up in Indian markets though they are able to come up quicker than other channels. This developing remarkable quality is particularly likely in the retail and administrations divisions, where purchasing online seems to have generous space for development.

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