



## Review Paper

# Identified Factors and their Impact on Online Buying Behavior: A Review

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Available online at: [www.isca.in](http://www.isca.in), [www.isca.me](http://www.isca.me)

Received 19<sup>th</sup> August 2016, revised 4<sup>th</sup> September 2016, accepted 6<sup>th</sup> September 2016

## Abstract

*With development in Information Technology and its contribution in the area of Internet, the applications of Internet are getting more popular amongst the users today. Its impact is not only restricted to just providing information to the users but with an immense development in E-commerce, now the user can perform all the commercial transactions just on one click. It has been observed that there has been substantial increase in the number of online stores and websites with shopping facility are available to the customers. These include not only the Indian players like Flipkart, Snapdeal, IRCTC and Paytm but also the global players like Amazon and eBay. In this paper, I have tried to incorporate some important researches conducted in the area of online buying which helps to understand the conceptual framework of consumers' behaviour towards online shopping sites. These researches covering the various factors which influence the online buying, also helps to understand how the demographic variables, geographic locations and time frame affects the outcome of the study and lead to change in the trend of consumers' expectations.*

**Keywords:** Online Shopping, Online Buying, India, Demographic Impact.

## Introduction

With development in Information Technology and its contribution in the area of Internet, the applications of Internet are getting more popular amongst the users today. Its impact is not only restricted to just providing information to the users but with an immense development in E-commerce, now the user can perform all the commercial transactions just on one click. The number of internet users worldwide reached to 2.92 billion, i.e. 40.4% of total population worldwide<sup>1</sup>.

Online shopping in India will touch \$15 billion by 2016, with over 50 million new buyers emerging from tier1 and tier2 cities<sup>2</sup>. There are number of researches which are conducted in this area. In spite of the fact that the idea is by all accounts new yet from the study it has been found that few inquiries about have led over 25 years prior. Organisations are utilising the web to put crosswise over and collective the mastery. Simultaneously it helps the organisation to offer a recommendation about their stock and promptly getting the proposals of shopper's satisfaction to get empowered turnover for future.

**Objective:** i. To identify the key role playing factor in online buying, ii. To understand their impact on online buying.

## Literature Review

**Indian Perspective:** Swaminathan et. al. in their research studied that "Internet users' attitudes towards Web shopping.

They operationalized three characteristics of the shopping environment: vendor characteristics, perceived security of shopping transactions on the Internet, and consumer privacy concerns. In addition, they took into account the preference consumers have to deal with people and the degree to which convenience affected their preferred shopping mode. They found that whether it is about the amount one spends on online shopping or whether it is the no. of times they prefer for shopping the characteristic of consumer plays a dominant role over other variables. In addition to this, characteristics of vendor also impacted consumer behavior on a broader perspective. Security functions and privacy issues, however, played only a minor role in affecting the reported shopping behavior of study participants<sup>3</sup>.

Ranganthan and Ganapathy<sup>4</sup> In this study, the researchers discovered four key measurements of internet shopping in particular sites; information content, design, security and privacy. They inferred that, however every one of these measurements affect the buy aim, security and privacy will have more noteworthy effect on the buy goal of online purchasers.

Haq<sup>5</sup> in his study on Indian consumers took a response from 200 people with a variety of demographic profile. He has tried to work on two aspects, one is the demographic profile of consumer and its impact and second are factors affecting perception of consumers towards online buying. It was found that general site quality, client administration and security are the four key elements which impact purchasers 'view of online shopping. The study uncovered that the impression of online

customers is autonomous of their age and gender yet not free of their education and gender and pay and gender.

Shrivastava<sup>6</sup> This study was different from others as it was focused specifically on Jewellery. As like other studies, it was found that people are inclining towards online shopping but on the contrary very few are going for purchase of jewellery through online shopping sites. The major factors affecting this decision were high amount of risk and inability to convince family members.

Balamurugan, Sathish, and Sathyanarayanan<sup>7</sup> the study has been directed in Coimbatore City among 186 respondents. Demographical information of respondents acquired including the accompanying: gender, age, occupation and income. Just the respondents the individuals who bought for no less than two times through online considered. The entire study depended on the accompanying hypothetical system.

The buyers confronting properties are taken as a base to consider the impact of these traits on online shopping. Utilizing component examination, the specialist assembled these characteristics under different measurements. At that point utilizing SEM, the specialist proposes to distinguish the measurements that have the most elevated impact on aim to purchase. Through this study, the scientist has endeavored to concentrate on various shopper variables that impact customer's goal to purchase online. However the specialist did not endeavor to contemplate the directing, mediating and incidental variables that may impact purchaser's aim to purchase. It has been observed that components like saw danger, usability and item traits are emphatically related with online buy aim. Among these variables, item traits are the main consideration that prompts high buy aim for online shopping. It has been distinguished that the greater part of respondents are fulfilled by online shopping. As it were few of respondents are not fulfilled by the online shopping. The reason being, the conveyance delay and imperfect items transported and so forth. The online retailers ought to ensure that they convey items with quality at the guaranteed time, which will at last expand the consumer loyalty. Gender impact has almost no effect on a customer's expectation to buy online. Verging on equivalent percentage of male and female lean toward online shopping. Different components like income, age does not assume a huge part.

Sharma, Mehta and Sharma<sup>8</sup> focused their study on Indian consumer and conducted a study on 120 select respondents. In their study albeit measurable hugeness of different parameters has not been inspected but rather the summed up results acquired through information examination has given clear sign of expanding noteworthiness of online stores in the life of Indian individuals. It was found that a dominant part of online purchaser in India is an adolescent likewise advance it was found that security, efficient quality and experience has significant effect over the online purchasing conduct.

Pawar, More, and Bhola<sup>9</sup> for their study, 246 under graduate student studying in four colleges of Satara were selected conveniently for study. The researchers have shared that "The schedule was divided into four parts. The first part of the schedule includes questions / variables that provide demographic details of samples, which are developed by the researcher. In second parts, variables, which provides pattern of usage of internet and duration of internet usage, were asked. In third part factors which affecting online buying behavior were asked on five point Likert scale. In addition, in fourth part factors that affect non-online shopping were asked on five point Likert scale. The study examines demographic factors of online shopping behavior of online buyers and non-buyers. It observed that maximum male students from commerce background whose parent's income in good enough goes for online shopping. Results of hypotheses testing indicated that, there is significant association between parent's occupation, their household income and amount spending on online shopping. Furthermore, there is no any significant association between educational qualification of samples and amount spending on online shopping. Result uncovered that respondent with solid financial foundation; use to incline more towards online shopping.

Shanthi and Kannaiah<sup>10</sup> this study was an attempt to understand the Indian online buying behavior focusing on students. The researchers conducted a survey amongst the students of Madras University and Madras Christians College. In nutshell, through this study it is found that majority of students are well aware of the online shopping which indicates the growing popularity of the online shopping within the youngsters. Real draw card of online shopping is the simplicity and rebates accessible for various sorts of items. It was found that majority of students purchased books online as they found them more cheaply compared to market price along with attractive offers and discounts. Price was identified as the most influential factor followed by security and guarantees and warrantees. The study also reveals that majority of the respondent's buys clothes from flipkart.com which is thus one of the leading online shopping websites in India. On top of that the most products purchased online by the respondents are the books followed by tickets (railway, movie, concerts).

Kayasth and Patel<sup>11</sup> conducted study amongst 200 respondent of Bardoli region in Gujarat. Similar to earlier study conducted by Haq Z.U.<sup>5</sup>, this study also confirmed that gender and education affects the online buying behavior. The study demonstrated that 48% of the shopping had been done by the general customer who thinks spare time is the fundamental main thrust. Spare time here is portrayed as simplicity of procurement, home conveyance and capacity to shop 24x7.

Balaji<sup>12</sup> this study was focused on analysing the buying behavior amongst the Indian students specifically on demographic aspects. The researched found that about 60 per cent of the sample respondents on an average spent less than ` 1000/month,

while, 25 per cent of the sample respondents spent `1001 to `2000/month. As age increased the share of college students with higher average of expenditure also increased. Young women spent more money on online shopping than young men. The share of respondents with urban nativity spent much higher amount on online shopping than that of respondents with rural background. The frequency of purchase through online among the female respondents was higher than that of the male college students. Overall satisfaction level of purchase of various products through online ranged from 5.38 to 6.31. This indicated that satisfaction level has to be increased to a greater extent. Information choice, loyalty, competitive pricing, accessibility, risk factors, convenience factor, security issues, knowledge and window shopping factors influenced the online shopping behavior of the college students. The young female students were more influenced by the social media regarding online shopping. Among the youth sample respondents, women have been more active on online shopping than young male students. However, the satisfaction level is low. Efforts must be taken to minimize the risk and security issues in online shopping and also improve the knowledge on online shopping for effective buying.

Global Perspective: Jarvenppa and Todd<sup>13</sup> utilised an experimental review of 220 Internet customers to accept a model of attitudes and shopping goal towards web shopping by and large. They proposed a model of attitudes and shopping goal towards Internet shopping when all is said in done. The model incorporated a few pointers, having a place with four noteworthy classes; the estimation of the item, the shopping experience, the quality for administration offered by the site and the danger impression of Internet retail shopping. Customers' attitude towards online shopping influences the purchasing choices.

Lowengar and Tractinsky<sup>4</sup> had study factors that influence shopper buy choices on the Internet. Dissimilar to the past researchers they have underlined on three primary measurements. To start with, its reliant variable is customer decision of one out of an arrangement of Internet stores instead of buyer appraisals of the stores. Second, it is about browsing a particular store as opposed to about purchasing on the Web when all is said in done. At long last, their study looks at the determinants of buyer decision for okay versus high-hazard items, a qualification that has for the most part been disregarded in past studies. They have amassed an arrangement of factors implied by researchers in the field of B2C to affect shopper decision in online shopping.

The outcomes show that the kind of items looked for influences the measurements that are important for the Internet shopping assignment. In particular, it gives the idea that more measurements of the Internet store are considered when customers search for PCs with respect to when they look for books. A created model that predicts member decisions in light of their subjective appraisals of the Web destinations shows that

shopping for PCs includes contemplation of the shopping procedure, the data gave by the shop in regards to its items, and view of monetary danger required in the exchange.

According to Li and Zhang's<sup>15</sup> the reasonable system that has been produced in light of their examination, there are ten factors which influences online buyer practices. Five amongst them are free variables (outside environment, demographics, individual attributes, seller/administration/item attributes, and site quality) and rest five are the needy variables (attitude toward online shopping, expectation to shop online, basic leadership, online acquiring, and purchaser fulfillment). The five autonomous variables are distinguished as forerunners, which straightforwardly decide attitudes towards online shopping. Amongst them, the seller/administration/item attributes and site qualities are straightforwardly affects the purchaser decisions.

Levin, Weller and Levin<sup>16</sup> this paper was based on a multidimensional, multi-attribution study. A multi-part review was controlled to survey how item property assessments drive contrasts in online/offline shopping inclinations between products, amongst customers, and between stages of the shopping experience. Two gatherings of members – an understudy test and a specimen from a national study board – were solicited to rate their probability from shopping online or offline for each of a progression of products, both at the pursuit stage and at the buy stage. They were then solicited to rate the significance from properties that may have differential significance for products like apparel and books, and to rate the degree to which they thought every characteristic was conveyed better online or offline. For both specimens, contrasts in significance weights allocated to qualities that support online shopping and traits that support offline shopping were key indicators of watched contrasts in shopping mode inclination crosswise over products and crosswise over customers. They have turned out with some distinctive discoveries, first they have exhibited at the total level that contrasts between products could be represented by the differential weighting of ascribes that are seen to be better online or offline. Further they found that the item sort inclination changes according to the purchaser's qualities. On a more extensive viewpoint, they have presumed that – When characteristics, for example, huge choice and shopping rapidly are overwhelming, online shopping is favored. At the point when qualities, for example, individual administration and capacity to see-touch-handle the item are prevalent, offline shopping is favored.

Alam, Bakar, Ismail, and Ahsan<sup>17</sup> in their study took reactions from 496 college understudies of 2 colleges. The entire questionnaire was partitioned into two sections The initial segment of the questionnaire included inquiries concerning Internet usage propensities for the respondents, for example, where do they get to the Internet, how visit they peruse Internet, the amount of time they spent, purposes for Internet use and how visit the respondents purchase products through online. The second part comprised of inquiries measuring every one of the

variables including two inquiries which are utilised to quantify the online shopping. Their exploration depended on the model which distinguished for significant components of online shopping on their investigation of past pertinent writing.

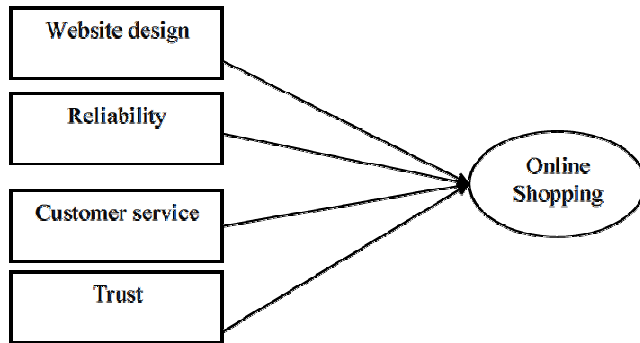


Figure-1

Conceptual framework Alam, Bakar, Ismail, and Ahsan<sup>17</sup>

Similar to other previous studies<sup>13,18</sup> trust has gotten the steadiest backing as factors that impact online purchasing. Another imperative finding left the examination was that when people have more experience with online purchasing, the effect of saw factors on aims to purchase online is not the same as that of inexperienced online purchasers.

## Conclusion

With the help of above study, we can draw that there are different elements which influences the buyer's state of mind and conduct towards web shopping options. There are few variables which influences specifically on the choice and decision of the client while selecting the item or the e-tailor, and there are few components which are roundabout yet having a proportionate higher effect on the intellectual basic leadership of a customer. As this all studies are directed on various individuals with various demographics, on various area and particularly on various eras, the effect of elements of outside environment can't be disregarded thus the outcomes and discoveries have noteworthy contrasts through and through. It was fascinating to find that the experience of utilizing web and of shopping online changes the components influencing the conduct of the customer. It can likewise be found that qualities of both perceiver (Online Shopper) and the article saw (site and item) assumes an imperative part amid the choice, which may help advertisers to comprehend that they have to concentrate on comprehension the desires of clients to serve them with most extreme fulfillment. Utility of these studies can be found with dissecting the way that a hefty portion of internet shopping destinations have rolled out critical improvements in their working getting motivated from the discoveries of this examination, which can be effortlessly judged by seeing the unmistakable changes made simultaneously and the offered item in most recent 5 years.

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