Consumer Behavior towards E-Commerce in India

Preeti Devi
Email id- 06preeti1993@gmail.com

Preeti Devi

Abstract: The primary purpose of this article is to acquire quantitative data demonstrating the reality of internet shopping in India in order to understand its growth and impact on customer behavior. The paper builds on existing literature while also investigating customer behavior using questionnaires. Furthermore, the future evolution of internet purchasing will be monitored through a thorough comparison of customer behavior across countries. This article supports the study topics, which include contemporary trends, numerous challenges in internet shopping, and key elements influencing customer behavior. Furthermore, the study found that internet customer trust and perceived risk had a significant impact on their purchasing decisions. Consumer trust, privacy issues, and security concerns are the most important aspects in utilizing the internet to shop; trust in websites influences any consumer's purchasing decision. More particularly, the empirical finding indicates how E-commerce organizations develop marketing plans based on research data and analysis results.

Keywords: E-commerce, internet shopping, World Wide Web, consumer behavior, privacy and security, consumer trust.

Introduction: Since the last two decades, the internet has grown significantly, and a relevant digital economy powered by information technology has emerged around the world. Following the long-term development of the internet, which has resulted in fast increasing online users and high-speed internet connections, as well as the development and deployment of new technologies for web construction, enterprises may now promote and enhance pictures of their products and services through websites. As a result, accurate product information and superior service attract an increasing number of consumers who are shifting their purchasing behavior away from traditional modes of shopping and toward online shopping. On the other side, more organizations have recognized that consumer behavior transformation is an unavoidable trend and have changed their marketing strategy. According to current study, internet purchasing, particularly business-to-consumer (B2C), has increased, and online shopping has become more popular among many people. There are numerous reasons for the rapid growth of online shopping, the most important of which are the benefits that the internet offers. However, buyers face possible risks while shopping online, such as payment security and after-sales service. Because of advancements in internet technology, internet payment has lately emerged as a popular method of purchasing items via the internet. Internet payment increases consumption efficiency while reducing internet security.

Difference between online/offline Stores: Even though internet buying has grown significantly, particularly in the consumer products market, there is still a significant gap between traditional and online consumer shopping. Online sales accounted for a very small percentage of total sales in the Indian consumer goods market. That could be for a variety of reasons, the most important of which

being the benefits that exist in both traditional shops and the online market; each have distinct characteristics. For example, traditional sellers can provide convenience in parking and shopping, allowing buyers to read and inspect the quality of goods before purchasing, and providing more direct after-sales care to clients. However, the traditional store has a restricted range of goods and the selling price is more than online. By comparison, we can observe that the limitations of traditional stores are more likely to be the advantages of online stores; nevertheless, the weaknesses of online stores appear to be the advantages of traditional stores. The overview of internet and internet shopping development shows that e-commerce is being used in many organizations as a result of the remarkable advancement of technology and the competitive benefits of online selling. Furthermore, increased individual usage has become a major contribution to the growth of online commerce.

Impact of Internet on Consumer Behavior: The influences on consumer behavior are often made between external and internal factors. External factors are come from the environmental conditions, and internal factors are usually from the consumer's mind. There are many factors could influence consumer's behaviors. According to Warner, the external influences could divide into five sectors: Demographics, socio-economics, technology and public policy; culture; sub-culture; reference groups; and marketing. The internal influences are variety of psychological processes, which include attitudes, learning, perception, motivation, self image, and semiotics (Malcolm). In addition to these, Sheth (1983) also suggested that the consumers have two types of motives while shopping, which are functional and non-functional. The functional motives are mostly about the time, shopping place and consumer's needs, which could be like one-stop shopping to save time, the environmental of shopping place such as free parking place, lower cost of products and available to choose from widely range of products. The non-functional motives are more related with culture or social values, such as the brand name of the store.

The traditional shopping is simply about the customer to purchase their needs. This behavior will be influenced by the seller's advertising and promotion which attracts customers goes there and purchase goods, afterwards a part of new products will be taken home and be used.

Internet Shopping: Internet shopping and traditional shopping are sharing many similarities, at the same time, it still exists some differences between them, such as the Internet shopping could provide convenience and interactive services (Jarvanpaa and Todd, 1997), and the traditional shopping could gives customers more comfortable shopping environment and good quality of products (Lee and Chung, 2000). Both aspect of shopping malls are trying to improving their services by learn commutatively from each other, such as traditional shopping malls provide more parking spaces, more counters, and closer to residential area in order to improve services in convenience; Internet shopping malls adopt virtual reality (Lee, 2001) and 3D techniques (Miller, 2000) to improve the presentation of products. In the following sections, the study would provide the nature of internet shopping at first, then the E-commerce web site will be indicated to comprehend the essence of internet shopping, after that, online security, privacy and trust will be discussed. All of these general overviews and discussions about the internet shopping will provide a background to the study and help to building the foundation of academic researches.

Convenience: Internet provides a big convenience for shopper as the main reason for the shopping online has been agreed by most of researcher and customers (Wolhandler, 1999). Due to the feature

of Internet, it allows customer to shopping online anytime and anywhere, which means customer can browse and shopping online 24-hours a day, 7 days a week from home or office, which attracts some time-starved shoppers come to Internet for save time to searching products in physical store. Additionally, Internet offers some good ways to save money and time. For example, shoppers do not need go out to the physical store and thus there is no transportation cost. Compare with the traditional shopping, there is no waiting line for shoppers on the Internet, and some shoppers reported that they feel pressure from the sales people sometimes, but Internet offers them more enjoyable while shopping online (Wolhandler, 1999; GVU's WWW 9th User Surveys, 1998).

Technology: The convenience based on Internet is mainly according to the technology development, and which plays a key role during the development of Internet shopping. In the last decade, organizations have realized that the new technology could impact on Internet shopping deeply, and thus there are many important technologies like virtual reality and 3D techniques have adopted to gain big competitive advantages (Clark, 1989). Information technology has used in the form of the Internet improved better quality of product information, which help shopper's decision making (White, 1997). Through the wide range of surveys about the Internet use, the growth of Internet and the rate of growth of Internet usage have been rapid increased in the last decade. According to the BMRB International (2004) and GVU's WWW 9th User Surveys (1998), the number of Internet users in Great Britain has increased to 22.7 million among 48.4% of the adult population, and about 53% of Internet users have reported that shopping is a primary use of the Web. Moreover, a statistical report on the Internet Development in China from CNNIC (China Internet Network Information Centre) have released in July 2006. From this report, in the aspect of Internet shopping, there are 30 million users often shopping online, and near 1/4 Internet users have online shopping experience. Both surveys shows that more and more Internet users prefer online payment while they shopping, thus the security of online payment certainly will become a significant factor to influence the Internet shopping.

Consumer Trust in Internet Shopping: Mayer, Davis, and Schoorman (1995) defined trust as, "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (p.712) (Cheung and Lee, 2006). This definition is widely recognized and the most frequently cited (Rousseau, Sitkin, Burt, & Camerer,). People purchase products and services are the most based on their level of trust in this product or services, and sellers either in the physical store or online shops. Online trust is the basic and essential element for building a relationship with customers. A present research shows that online trust is lower level than the face-to-face interactions in the physical store (Cassell and Bickmore, 2000), and the result from Cheung and Lee (2006) shows that trustworthiness of Internet merchant (perceived integrity, perceived competence, and perceived security control) and external environment (third-party recognition and legal framework) have considerable impact on consumer trust in Internet shopping (see figure 1). The trustworthiness of E-commerce web site is very relying on the how much privacy security can be provided. For example, a highly technical competence can be a factor to influence the trustworthiness (Singh and Sirdeshmukh, 2000). As mentioned above that the web merchant can provide third-party verification to E-commerce web site, and while this privacy and security strategies are used, customers will think their E-commerce transactions through Internet are secure and thus the site is more reliable to them. Beside this point, if the Ecommerce web site can provide

the information about their customer services, location of the office, contact telephone number, and a help button on the web site, customers could also increase their trustiness as they can feel that the online retailers is truly exist (Lohse and Spiller, 1998).
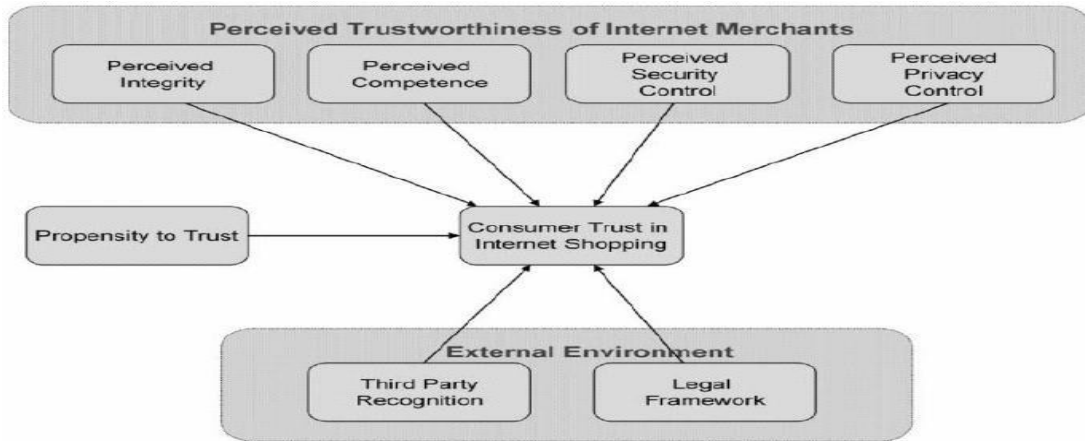
An Integrative Model of Consumer Trust in Internet Shopping

Conclusion: This study focuses on Internet-related issues and explores those that influence consumers' online shopping behaviors. It begins with the current state of Internet development and discusses the background of marketing as representation and its differences from physical businesses, in order to demonstrate the evolving history of Internet purchasing since E-commerce became widespread. The literature review chapter covers three major topics: traditional shopping behavior, Internet shopping, and online consumer behaviors. Each part begins with a notion and then progresses to other views. The study focuses on Internet purchasing (the nature of Internet shopping, E-commerce websites, and online security, privacy, trust, and trustworthiness) and online consumer behaviours (background, shopping motivation, and decision-making process). These elements were investigated to determine their impact on online customer behavior. Furthermore, earlier research was leveraged to help researchers gain a more comprehensive understanding. Furthermore, the customer's buying decision-making process was investigated to uncover probable factors. The most crucial component in assisting clients in finding appropriate items or services for their needs is information search. As a result, online merchants must strengthen and improve information assistance, such as providing more specific product information and using an internal search engine, in order to boost the efficiency of information search. Customers place a higher value on the reputation of the e-commerce website and payment security during the evaluation stage. At the post-purchase stage, the most important consideration is after-sales support. Overall, the Internet elements that influenced or hindered online consumer behaviors must be carefully considered by online retailers, who can then use suitable marketing messages to assist the customer's purchase decision-making process and improve their performance.

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