

Consumer Perception And Behaviour Toward Online Shopping

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Abstract

As e-commerce continues to grow globally, understanding how consumers perceive and engage with online shopping platforms becomes pivotal for businesses, marketers, and policymakers alike. This study explores how people see and feel about shopping on the internet as online shopping has become a big part of how we buy things, and it's important to understand what makes people like or dislike it. Next, it dives into how personal things, like our feelings and the people around us, impact the way we see online shopping. The paper also looks at how advertising and other people's opinions about online shopping influence our thoughts and actions. Lastly, it explores the new and changing trends in online shopping, such as using phones to shop and get personalized suggestions, and aims to find how these changes affect what people think and how they feel about shopping online. The study will benefit businesses, policymakers, and researchers who want to understand how our thoughts and feelings connect with shopping on the Internet.

Keywords: E-commerce; Consumer perception; Online shopping; Advertising; Trends.

Introduction

Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet to cut marketing costs, thereby reducing the price of their products and services to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate, and disseminate information, sell the product, take feedback, and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online but also to compare prices, product features, and after-sale service facilities they will receive if they purchase the product from a particular store. Online shopping is a great way to shop with everything available on the websites. From clothes, gift items, food, home needs, medicines, and many more, this mode of shopping allows one to shop conveniently without the hassle of spending hours in a supermarket or shopping area. The Internet with its wide array of information nooks, allows the customer to go through various reviews of the product or service before actually heading for purchases. These online shopping websites also have daily deals for customers looking for discounts and store offerings.

Internet and Information technology have made tremendous contributions to business transformation witnessed nowadays all over the world. This has given birth to E e-commerce which encompasses several pre- and post-purchase activities. Analyzing the competitive advantage of E-Commerce, it is observed that E-Commerce enables simpler, faster, and more efficient business transactions. For developing countries like India, E-Commerce offers considerable opportunity for growth. E-commerce leads to a boon for the current economic

downturn. India's e-commerce market is worth about \$38.5 billion in 2019. About 80% of this is travel-related (airline tickets, railway tickets, hotel bookings, online mobile recharge, etc.).

Online retailing comprises about 15%. India has close to 10 million online shoppers and is growing at an estimated 40-45% per annum. The rapid growth of e-commerce in India is being driven by greater customer choice and improved convenience

Consumer Perception

A marketing concept that encompasses a customer's impression, awareness, and/or consciousness about a company or its offerings. Customer perception is typically affected by advertising, reviews, public relations, social media, personal experiences, and other channels. The ultimate aim of every business is to increase sales by finding out the factors that drive consumer's buying decisions. Consumer perception theory tries to analyze and explain consumer behavior. The perception of the same product or service by different consumers would vary. This is exactly what consumer perception theory analyses by finding out what exactly motivates or influences consumer behavior in purchasing or not purchasing a specific product.

Benefits of Consumer Perception for Businesses

With competition becoming more intense in the global economy making it difficult for products and services to stand out get differentiated from other offerings in the market, even the production, logistics, sourcing, and accessibility to information costs are also rising. Varied products end up facing stiff competition from industry outsiders from new bundles or offerings and substitutes. The result is a decrease in prices as most companies want to win over consumers along with closing the product differences. The modern consumer is more of a mix. Being very sensitive to prices, the modern consumer is constantly in search of discounts and bargains. They are also constantly on the lookout for branded and other luxury products. Being very well-informed, they are even aware and conscious of their powers.

This awareness increases their expectations from companies. All these factors together make it more complicated to segregate a product or service by traditional sorting by quality, pricing, and functions. The only solution available to a business in such situations is strengthening the bond between the company and the consumers. This is likely to give better competitive advantage as this relationship is not limited to the aspect of price, quality, etc. The better experience a consumer has with the company at different stages of interaction such as efficiency reliability and speed of the process, the higher the chances that he or she is likely to come back again. A problem arising from a single transaction is likely to damage the relationship forever. The companies have to make sure that they can convince the consumers about how their products if purchased by the consumers can give more benefit than that of the competitors. This in short amounts to expanding the consumer perception to appreciate the finer aspects of the company.

Online Shopping in India

Online shopping has witnessed an unprecedented surge in India. There is a huge purchasing power of a youth population aged 18 - 40 in the urban area. If we observe the growth of Indian online transactions (Info by: IAMAI), it is doubling year by year.

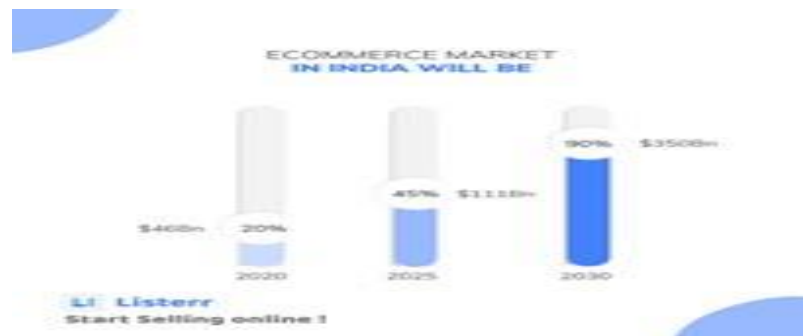
This is also increasing day by day as the costs of computers are decreasing and net penetration is increasing. The cost of internet usage is also getting lower, with good competition among the provided networks. Wi-Fi & Wilma is also getting tested in Bangalore and other cities in India. This will increase the usage as it goes more on wireless internet Indians are proving every time that they can beat the world when it comes to figures of online shopping. More and more Indians are going to online shopping and the frequency of India's online buying is crossing the overall global averages.

The Indian economy is slated to grow by upward of 6-8% annually in the next few years which is among the highest rates of any big emerging economy.

E-commerce is helping people in smaller towns in India access quality products and services similar to what people in the larger cities have access to. Increasing internet penetration has helped to expand the potential customer pool. Internet penetration is only about 10% (or about 121 million users) as against about 81% in the US and 36% in China. However, this number continues to rise at a consistent pace because of falling prices for broadband connections. Indians are also increasingly taking to mobile devices for not only searching but shopping as well. The number of smartphone users is rapidly increasing in India and with 4G services about to take off, it's expected to get even more people going online. With increasing internet penetration, smartphone adoption, and digital literacy, millions of Indians now have access to a plethora of online shopping options. E-commerce giants like Flipkart, Amazon, and Snapdeal have played pivotal roles in capturing this expansion, offering diverse products, competitive pricing, and convenient delivery options. Convenience, affordability, and variety are driving factors behind the shift towards online shopping. Busy lifestyles and urbanization have propelled consumers to seek hassle-free shopping experiences that fit seamlessly into their routines.

Factors that Boost Online Shopping in India

- ❖ Growing digital literacy and comfort with online transactions among consumers.
- ❖ The increase in the number of computer and mobile device users
- ❖ Reach to net services through broadband
- ❖ Availability of diverse product options and competitive pricing on e-commerce platforms.



Literature review

According to Kotler et al. (1999), a person's buying choices are influenced by four major psychological factors namely; motivation, perception, learning, beliefs, and attitudes among other factors. He further adds that perception depends not only on the physical stimuli but also on the stimuli's relation to the surrounding field and on conditions with the individual. Perception can be defined as the process of receiving organizing and assigning meaning to information or stimuli detected through human beings' five senses. In other words, it is an approximation of reality. The brain attempts to make sense of the stimuli to which it is exposed the outcome of this process is assigning meaning to the stimuli sensed (Kotler,2000). It has further been said that perception is the critical activity that links individual consumers to groups, situations, and marketer influences (Hawkins et al, 1992). Kotler (2000) further alludes that people can emerge with different perceptions of the same object because of the pre-perceptual processes, selective attention, selective distortion, and selective retention.

Mittal and Mittal (2008) in their study 'Store Choice in the Emerging Indian Apparel Retail Market: An Empirical Analysis' investigated the evaluation of apparel store attributes by consumers in the context of apparel retail formats in India. They suggested retailers consider underlying perceptions and demographic correlates of local consumers. According to them, retailers could use Loyalty Drivers and Shopping Experience Enhancers to be integrated into the retail format to create sustainable store choices and hence, store loyalty. Further research is needed to research other retail sectors such as food and grocery, consumer electronics, gifts, and so on, and also to investigate the influence of demographics and psychographics on store choice and shopping orientations.

Rajaguru and Matanda (2006) examined 'Consumer Perception of Store and Product Attributes and its Effect on Customer Loyalty within the Indian Retail Sector' and observed that except for product price, other store and product attributes have positive effects on customer loyalty. Further research is needed to identify retail managers' focus on product quality, and store convenience as well as ensure quality and availability of new products to enhance customer loyalty and also to compare consumers using various retail formats and consumers' perception of product and store attributes on retail formats keeping in view demographic correlates.

William & Prabakar (2012) concluded that "The customer perception of retail service quality is an important segment to the emerging and the existing retailers in the market as the study

reveals that perception of service quality influenced by the various nature with various customers even some of the general factors like Personal interaction, physical aspects are the dimensions on of the customer perception remains constant and common to all the customer on a majority basis so the retail outlets have to frame their strategies In order to attract the customers on a longer basis".

Intention to Shop Online

Consumer's intention to shop online refers to their willingness to make purchases in an Internet store. Commonly, this factor is measured by the consumer's willingness to buy and to return for additional purchases. The latter also contributes to customer loyalty. Consumer's intention to Shop online is positively associated with their attitude towards Internet buying and influences their Decision-making and purchasing behavior. In addition, there is evidence of reciprocal influence between Intention to shop online and customer satisfaction.

Factors Influencing consumer to Shop Online

Several factors influence consumers' attitudes toward online shopping and these factors are discussed below-

Convenience

The convenience factor means that it is easy to browse or search the information online is easier than traditional retail shopping. Online, consumers can easily search product catalogues but if the consumer looks generally for the same product or item in a traditional store manually it is difficult to visit physically and time-consuming also.

Time-saving

Time savings is one of the most influencing factors of online shopping. Browse or search an online catalogue can save time and patience. People can save time and reduce effort by shopping online.

Website design/features

Website design and online shopping activity is one of the vital influencing factors of online shopping. Website design, website reliability/fulfilment, website customer service, and website security/privacy are the most attractive features that influence the perception of the consumer of online buying.

Consumer buying behavior process

In the field of Consumer behavior research, the classical model of consumer buying behavior is of utmost importance. We as persons take actions in purchasing and using products and services and actions are derived from mental and social processes. Behavioral science helps us to better understand why we go for a certain product and why not, and why we set priorities while making decisions.

The consumer decision process carries five stages, starting with Problem recognition and following Information search, Evaluation of alternatives Purchase decision, and finally Post

Purchase behavior. Problem recognition starts with the perception of need and moves towards information search where a consumer uses internal and external sources to analyze given information and use that information in the next step of evaluation of alternatives. While evaluating alternatives one assesses the values of the products by giving weights. Once you have successfully evaluated alternatives you will move towards a purchase decision where you may encounter three possibilities, from whom to buy, when to buy, and do not buy. Once you have made the purchase now it comes to Post-purchase behaviour, whether you are satisfied or dissatisfied with your purchase

Research Methodology

The sources of data used in this study are both primary and secondary data. Primary data consists of original information gathered from a sample size of 100 respondents, sampled randomly. Secondary data consists of literature that has been accessed and used to study consumer behaviour.

Findings and Discussion

Out of the total 100 respondents, 55% of the respondents were female and the objective was to study consumer behavior concerning online shopping, as online is more shopped by female respondents. It was found that book has the highest number of transactions in online shopping. Music is the second most common item sold in online shopping, along with electronic appliances like hair dryers, mobile appliances, computer peripherals, etc. The other items that are sold in online shopping are the apparel which are more preferred by the female respondents. The money spent in online shopping was found to range from INR 1000-5000, which indicates the users are willing to pay more price when there are premium quality products such as electronics, branded apparel, original music, etc.

Home delivery was found to be a major motivating factor for the respondents to shop online. The second motivating factor was perceived to be competitive prices which gave the consumer a sense of 'winning'. Further, it was determined that people shop online when they don't have the time to visit the market or when they want something unique & special product that is not commonly sold in the offline market.

It was also determined that people prefer online shopping as they feel that discounts are offered more frequently while shopping online. Also, the variety of product offerings to the customer is larger in online mode. These factors influence the consumer's perception of 'more value for money' in the case of online products. Sometimes, the design of the website along with the different advertisement promotions motivates the user to shop online.

It was also found that website user friendliness forms an important factor when it comes to online shopping which will in turn result in an increase in the sale truncations for the particular shopping site. Another important factor is 'Product assortment' in an online shopping website which helps the user to easily track the product they are willing to buy. The availability of easy payment options such as 'Cash on delivery' was also found to be an important trigger in the Indian online shopping market. Further, it was also found that along with offers & discounts, an offer of free shipping by the seller is a motivating factor for the user to shop.

When it comes to the security aspect of the website, shoppers feel more secure shopping from a site that protects the personal and financial information of the user through the use of identifying names and passwords. Users also favour sites that allow them to track their items in transit.

Alternatively, it was also found that in certain cases, the tangibility of the product is important for the consumer which then demotivates them for online shopping. Other factors that demotivate the user from shopping online are issues like phishing, hacking of accounts, etc.

Conclusion

Based on the study, it may be concluded that the consumer buys goods from online shopping websites based on several factors like offers and discounts, variety of products, free home delivery, website user-friendliness, and cash-on-delivery payment option. The study aimed to track how people feel and act when they shop online. It was found that it's very important for people to trust the online store and find the website easy to use. The study also looked at how our feelings and thoughts influence online shopping. Things like how much money we have, our education, and what our friends think can also change our shopping. Technology availability such as using smartphones for shopping, is an important factor too. As technology gets better, businesses need to keep up to make online shopping more fun for customers.

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