

## Literature Review on Consumer Behaviour of Online Shoppers

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**Abstract:** Market research is often referred to ensure that organization produce and sell what customers really want. Analyzing consumer behaviour is not a new phenomenon for scholars. Philip Kotler, marketing expert, have studied on this topic. Theories about consumer behaviour have been used to develop an effective marketing strategy. Moreover, it is impossible to think marketing without the Internet in today's world. Online marketing is the topic that have been researched and made applications many times by researcher from past to nowadays. Studies on online shopping investigated the factors that influence online shopping as well as motives for, value of and antecedents of online buying behaviour. Because consumer's behaviour is constantly changing and In order to understand why customers make purchases and why they choose one companies product or service over another in online shooping, This paper focuses on the consumer side of the online purchasing behaviour by referring lot of research work and articles to identify important factors and to make guidance for the development of online shopping.

**Keywords:** Online Purchasing, Consumer Behavior, Process of Purchasing, Satisfaction.

### Introduction:

Consumer behavior is a field of study that focuses on consumer activities. This has been a topic of vast interest for the marketers all over the world. The marketing managers always study these consumer behavioral changes and make continuous changes in products and services. Once a consumer decides what brand he will purchase, he starts purchasing activities and after consumption he or she may be either satisfied or dissatisfied. According to his nature of satisfaction he reacts.

(Kotler and Keller, 2012)<sup>1</sup> One of the common views is that understanding consumer behavior has become a factor that has a direct impact on the overall performance of the businesses. Another view suggests that understanding consumer behavior has become crucial especially due to fierce competition in retail industry in the UK and worldwide (Lancaster et al, 2002)<sup>2</sup>.

Blackwell et al. (2006)<sup>3</sup>, consumer behavior is defined as the activities that people undertake when obtaining, consuming and disposing of products and services that they expect will satisfy their personal needs. Blackwell et al. (2006) mentions that a customer follows a sequence before buying a product or service.

Li and Zhang (2002)<sup>4</sup> has mentioned in their study that online shopping behaviour is a process of purchasing the product via internet but the behaviour explain the human nature at the time of purchase. They said, consumer go to the internet and search for the need related information. That is quite tough at the time of retail offline purchase as technology helps you to do the scrutiny of unnecessary details. Where, sometimes they succeed and sometimes potential consumers are attracted by information about products or services associated with the felt need. They then evaluate alternatives and choose the one that best fits their criteria for meeting the felt need. They identify some of the factors which show the significant relationship and they are external environment, demographics, personal characteristics, vender/service/ product characteristics, attitude towards online shopping, intention to shop online, online shopping decision making, online purchasing, and consumer satisfaction and proposes a model describing and predicting the relationships among these factors.

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<sup>1</sup> (.Kotler, P., & Keller, K. L. (2012). Marketing management 14 ed. Upper Saddle River, N.J: Pearson Prentice Hall.)

<sup>2</sup> (Lancaster G. ,Massingham L.&Ashford R. (2002), Essentials of Marketing 4th edition,Mc Graw Hill Education pp.104-7)

<sup>3</sup> (BLACKWELL, R., et al., (2006). Consumer Behavior. 9th ed. Orlando: Harcourt.)

<sup>4</sup> Na Li and Ping Zhang, (2002), "Consumer Online Shopping Attitudes & Behavior: An assessment of Research", Eighth Americas Conference on Information Systems, Dallas.

Pooja Gupta (2015)<sup>5</sup> has compared online shopping and offline with some of the significant factors that affect both online and offline shopping in various ways and it also consider by consumers. Author also mentioned that the consumers in today's era have not only many stores choice, but they also have a wide variety of channels to choose from. With the start of numerous channels and a continuous increase in the competition among channels, the understanding of what incites consumers to purchase from one channel rather than another becomes progressively important channel design and management.

Chitra Sharma (2015)<sup>6</sup> has studied the characteristics of buying behaviour of online shoppers through various socio economic variables. It also provides a support that helps researchers understand the drivers of consumers' attitude and goal to shop on the Internet, and consumers' perceptions regarding ease of use and usefulness. This research study is review based study where researcher has shown the various benefits and facilities provided during the online shopping. Researcher also mentioned that there are two factors mainly influencing the consumers for decision making: Risk aversion and innovativeness. Risk aversion is a measure of how much consumers need to be certain and sure of what they are purchasing. Highly risk adverse consumers need to be very certain about what they are buying. Whereas less risk adverse consumers can tolerate some risk and uncertainty in their purchases. The second variable, innovativeness, is a global measure which captures the degree to which consumers are willing to take chances and experiment with new ways of doing things.

Adil Bashir (2013)<sup>7</sup> has discussed about the consumer behaviour for online shopping but specifically for electronic purchase and mentioned that how various factor does affect the shopping channel and consumer behaviour. Further author has mentioned that online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on. Further the author also mentioned that consumer behavior in electronics environment is critical as compared to physical world and it becomes very difficult to understand if the factors that affect the purchase decisions are ignored. Online consumers fear the opportunity to physically examine the product which is specifically regarded as influential factor in purchase decision during the purchase of electronic goods. Therefore, consumer behavioral pattern in online shopping can be fundamentally different from traditional environment. People compare prices in online stores and then review all feedbacks and rating about product before making the final selection of product and decision. To purchase online things the electronic goods are in demand because of the best price, convenience and time saving.

Singhal and Shekhawat (2012)<sup>8</sup> explained in their research consumer behaviour study is based on consumer buying behaviour, with the customer having three discrete roles of client, spender and purchaser. The study of consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. They also mentioned that detailed product information and improved services over web has attracted people to rely more on online services instead of traditional methods. However, online market has risen from last decade but still traditional methods of purchasing are more acceptable than online or through web. In their study they were mentioned a number of factors which influence consumer during the purchase or choosing the channel for doing so. They were divided those factors into two parts, like factors that favour / promote the online consumer buying and the factors that resist/limit the consumer online purchases. They concluded their study as it was observed that although consumers are searching online to learn about products, but ultimately when it comes to purchasing, consumers are shifting from online to offline retailing channels depending on various factors. Convenience, information, 24/7 available products, website interactivity, usefulness, cost and time efficiency are the factors discovered by various researchers which

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<sup>5</sup> Puja Gupta, (2015), "Comparative Study of Online and Offline Shopping: A Case Study of Rourkela in Odisha", Department of Humanities and Social Sciences National Institute of Technology Rourkela – 769008, Odisha, India, may 2015

<sup>6</sup> Chitra Sharma, "Consumer buying behaviour towards online shopping – A Review of literature", Indian journal of applied research, Volume (5), Issue : 4, April 2015, ISSN - 2249-555X

<sup>7</sup> Adil Bashir, (2010), "Consumer Behavior towards online shopping of electronics in Pakistan", MBA International Business Management, Seinäjoki University of Applied sciences

<sup>8</sup> Dr. Shuchi Singhal and Shashi Shekhawat, "Online and Offline Consumer Behaviour : A literature Review", PEZZOTTAITE JOURNALS SJIF (2012): 3.23, SJIF (2013): 5.057, SJIF (2014): 5.871, Volume 4, Number 2, April – June' 2015 ISSN (Print):2279-0977, (Online):2279-0985

develop positive attitude towards online shopping whereas perceived security, perceived privacy, complexity, intangibility of online products, social contact, hassle in online purchasing, dissatisfaction with online shopping are the factors impeding online buying.

Upasana Kanchan et al. (2015)<sup>9</sup> examined the consumer behaviour during the online shopping so that it can help the business owner who uses commerce to channelize the purchase and to reach its full potential to satisfied consumer need. Their study mentioned that today customers are inclined to accept the changes and keep their eyes on the benefits they can obtain from online retailers. The recent example of changing consumer purchase pattern is the flipkart's 'Big Billion day' Sale. The growth in online sales can be partially attributed to the Internet's advantages of providing large amounts of information quickly and inexpensively and it's growing accessibility also how the non-Internet buyer can be transformed into an online buyer in order to increase online sale.

Venkateswara and Reddy (1997)<sup>10</sup> studied about the marketing of television sets among 300 households of Prakasam district of Andhra Pradesh. It was found that, in most of the cases head of a household and his wife acted as a decision maker. Influence of wealth, income, education and savings were found negative. But influence of advertisement was found higher (97%) in the study.

Losarwar (2002)<sup>11</sup> attempted to examine the influence of socio-economic profile, role of family and reference groups, life style, brand awareness, factors influencing, buying motives, effectiveness of promotional plans on the purchase decision in respect of select five durable products - Television, Washing Machine, Refrigerator, Mixer and Fan. The study concluded that the modern market is highly competitive and transitional. Thus, the role played by consumer is very prominent and the marketer should consider the behavior and attitude of the consumers before introducing the product into the market.

Sinha and Kim (2012)<sup>12</sup> have developed the conceptual model to examine the consumer behaviour during online shopping. In this model they examines the influence of previously identified risk factors (financial, product, and convenience risks) and Indian contextual service and infrastructure factors (concerns associated with a product delivery and return policy) on attitudes towards online shopping and the influence of an individual's technology specific innovativeness (TSI), attitude, subjective norm and perceived behavioral control (PBC) on online shopping behavior.

Renuka Sharma et al. (2014) examined the understanding of online shopping behaviour of Indian consumer. They also made an attempt to get information about the scope of improvement in online shopping website. There are various reasons of shifting the customers buying patterns towards online retail shops. The facility of comparing your product with competitive products on the basis of price, colour, size and quality is one of the biggest benefits of online shopping. Moreover the product remains at its place even you purchase it. It looks hilarious but this is also one of the most significant reasons reported by the online shoppers.

Sajjid Nazir et al. (2012)<sup>13</sup> has examined in their study that how online shopping has changed the bahviour of Pakistani consumers. Further they mentioned that the results of the survey analysis has shown that most of the people already shopping online and prefer to make their purchases online, but there are some factors such as psychological factors, social factors emotional factors, and the privacy factors which affect the buyer attitudes of online purchases. The protection of privacy and security are major problems that affect the behavior of the population to buy online. When a consumers to make purchases online to buy something, he or she is

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<sup>9</sup> Upasana Kanchan, Naveen Kumar, and Abhishek Gupta, "A Study of Online Purchase Behaviour of Customers in India", *ICTACT Journal on Management Studies*, August 2015, Volume: 01, Issue: 03, ISSN: 2395-1664 (ONLINE)

<sup>10</sup> (Venkateswara. M. and Reddy. B., "Marketing of TV sets – A Study of External and Internal Influence on Consumer Behaviour", *Indian Journal of Marketing*, Vol.27 (8): 20-24, August 1997)

<sup>11</sup> (Losarwar. S.G., "Consumer Behaviour towards Durable Products – A Study with reference to Marathwada Region", *Indian Journal of Marketing*, November 2002, pp.6-9)

<sup>12</sup> Jayendra Sinha (USA) Jiyeon Kim (USA), "Factor Affecting Indian Consumer's Online Buying Behaviour", *Innovative Marketing*, Volume 8, Issue 2, 2012

<sup>13</sup> Sajjid Nazir, Arsalan Tayyab, Aziz Sajid, Haroon ur Rashid and Irum Javed, "How Online Shopping is Affecting Consumer Behaviour in Pakistan?", *IJCSI International Journal of Computer Science Issues*, Vol. 9, Issue 3, No 1, May 2012, ISSN (Online): 1694-0814, www.IJCSI.org, Copyright (c) 2012 International Journal of Computer Science Issues.

affected by assorted factors. The main influencing factors have been identified as, price, confidence, security, convenience, time, after sale service and discounted deals.

Mehrdad Salehi (2012)<sup>14</sup> has studied the consumer behaviour for online shopping in Malaysia. However, convincing the consumers to shop online is still a challenging task for web retailers in Malaysia. The growth of Internet technology in Malaysia has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together. The aim of the study is to find out the factors that influence customer during their purchase towards online channel, where they were focused on different variables such as appearance, quick loading, security, sitemap, validity, promotion, attractiveness, believability, and originality. The findings of the study indicated that the first five factors influence consumers towards online shopping and security is the factor that contributes most towards online shopping.

Seda Yoldas (2011)<sup>15</sup> has examined the factors that affect online purchasing behaviour of two consumer groups from two different countries, United Kingdom and Turkey. Conclusion of the study was that there is a difference between the Turkish and British consumer while online purchase, as Turkish consumer don't prefer online purchase due to security reason as they were seeking for the more information about the product but British people are preferred to for online shopping but they don't prefer to pay online due to insecurity or not having the trust on online sites.

Steven Bellman et al. (1999)<sup>16</sup> have stated that, what personal characteristics predict whether or not people buy on the Net? Look for a "wired" lifestyle and time starvation, not demographics in the research topic "Predictors of Online Buying Behaviour", where they examined online consumer during their online purchase. The conclusion is that the prototypical Web consumer leads a wired lifestyle and is time starved. So it seems that Web consumers shop online or use online services to save time. A more global conclusion might well be that these consumers are much more like catalog shoppers than Kmart shoppers, that is, they seem to value the Web's time savings over its cost savings. While this consumer attitude may change over time, convenience, rather than cost savings, may be a key benefit offered by successful online stores.

### **Conclusion:**

The topic of consumer behavior is one of the massively studied topics by the researchers and marketers in the past and still being studied. Researchers show different reasons as to why consumer behavior has been the topic of many academics and researchers. After reviewing all these researches, one more thing is cleared that is still Indian consumer's are far away from the e-commerce and online shopping. They are still not very much comfortable with this purchase because they are confused or they don't believe on it. The insecurity level is still there. That is also true that young people are more into the online shopping but instead of this the gender discrimination is still a biggest factor that makes a difference between them. There are many factors that play a vital role during the online purchase. Many researchers have mentioned so many factors in their study which affect consumers. Major areas which need more research attention are:

1. People are preferred to for online shopping but they don't prefer to pay online due to insecurity or not having the trust on online sites.
2. The facility of comparing product with competitive products on the basis of price, colour, size and quality is one of the biggest challenges due to excessive information available while online shopping.
3. Consumers characteristics like Personal characteristics, Psychological characteristics, Social characteristics, Cultural characteristics, Customer loyalty and Trust needs more exploration in future research.

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<sup>14</sup> Mehrdad Salehi, "Consumer buying behaviour towards online shopping store in Malaysia", International Journal of Academic Research in Business and Social Sciences January 2012, Vol. 2, No. 1 ISSN: 2222-6990.

<sup>15</sup> Seda Yoldas, (2011), "A research about Buying Behaviour of Online Customer: comparison of Turkey with U.K.", The Business School, University of Roehampton, YOL11332553, 2011

<sup>16</sup> Steven Bellman, Gerald L. Lohse, and Eric J. Johnson, "Predictors of Online Buying Behaviour", December 1999/Vol. 42, No. 12 COMMUNICATIONS OF THE ACM

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