



Research Article

CONSUMER BUYING BEHAVIOUR TOWARDS ONLINE SHOPPING: A LITERATURE REVIEW

¹Dr. Gopal, R. and ^{2,*}Deepika Jindoliya

¹Director, School, Department of business Management) D.Y. Patil University, Navi Mumbai, India

²Research Scholar (M.Phil), Navi Mumbai, India

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ABSTRACT

The origination of the internet created an entire new experience for consumers regarding gathering information, comparing products or prices and the possibility of purchasing on the internet. Therefore consumer behaviour on the internet is an important factor for marketers. To predict consumer behaviour on the internet marketers need to understand how, where and why consumers behave online. This paper tries to analyse studies done by various researchers in order to explore what online channels consumers use when they are in a particular stage of the buying decision process (BDP). The study will create more understanding about why and how on-line consumers go through their buying decision process (BDP). It will be helpful in drawing a modified and more effective marketing policy.

INTRODUCTION

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. Consumer behaviour blends elements from psychology, sociology, social anthropology, marketing and economics, especially behavioural economics. It examines how emotions, attitudes and preferences affect buying behaviour. Characteristics of individual consumers such as demographics, personality lifestyles and behavioural variables such as usage rates, usage occasion, loyalty, brand advocacy, willingness to provide referrals, in an attempt to understand people's wants and consumption are all investigated in formal studies of consumer behaviour. It also tries to assess influences on the consumer from groups such as family, friends, sports, reference groups, and society in general. The study of consumer behaviour is concerned with all aspects of purchasing and consumption behavior as well as all persons involved in purchasing decisions and consumption activities. Research has shown that consumer behaviour is difficult to predict, even for experts in the field.

Consumer behavior towards online shopping is a field of interest for both scholars and professionals because internet has greatly influenced the preferences and buying pattern of customers. 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 with the aim of cutting marketing costs, thereby reducing the price of their product and service in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information to sell the product, to 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. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace. Along with the development of e-retailing, researchers continue to explain e-consumers behavior from different perspectives. Many of their studies have factors or assumptions which are based on the traditional models of consumer behavior, and then examine their validity in the internet context. This paper will mainly discuss the work done by previous researchers in the area of online consumer behaviour. This research paper attempts to have a comprehensive discussion on theoretical and practical views of previous studies done on online shopping and consumer behaviour.

*Corresponding author: Deepika Jindoliya,
Research Scholar (M.Phil), Navi Mumbai, India.

This paper examines these studies to understand the factors influencing the consumer's purchasing decision in online shopping. It includes the price attractiveness, time saving, perceived risk, enjoyment and excitement, tangibility and high interactivity. All of these factors will contribute to the study of customer's purchasing intentions. Numerous economic studies focus mainly on specific areas such as product design, quality and marketing strategy. Many scholars and research analysts carried out research work to understand the various attributes of consumer behaviour. It is worth noting that consumer buying behaviour is studied as a part of the marketing and its main objective is to learn the way how the individuals, groups or organizations choose, buy use and dispose the goods and the factors such as their previous experience, taste, price and branding on which the consumers base their purchasing decisions (Kotler and Keller, 2012). One of such studies of consumer buying behaviour has been conducted by Acebron et al (2000). The aim of the study was to analyze the impact of previous experience on buying behaviour of fresh foods. In the study the author used structural equation model in order to identify the relationship between the habits and previous experience on the consumer buying decision. Their findings show that personal habits and previous experience on of the consumers have a direct impact on the consumers' purchase decision. They also found that the image of the product has a crucial impact on the purchasing decision of the consumer and further recommended that the product image should continuously be improved in order to encourage the consumers towards purchasing.

Another study conducted by Variawa (2010) analyzed the influence of packaging on consumer decision making process for Fast Moving Consumer Goods. The aim of the research was to analyze the impact of packaging for decision making processes of low-income consumers in retail shopping. One of the common models of consumer decision making process has been offered by Blackwell et al (2006). According to him, the five stages of consumer decision making process are followings: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation.



Source: wikipedia image of Blackwell model

The most noteworthy writers that serve as academic advocates of The Five Stage Model of consumer decision making include Tyagi (2004), Kahle and Close (2006) Blackwell et al. (2006) there are also a range of competing models that include Stimulus-Organism-Response Model of Decision Making developed by Hebb in 1950's, Prescriptive Cognitive Models, The Theory of Trying (Bagozzi and Warsaw, 1990), Model of Goal Directed Behaviour (Perugini and Bagozzi, 2001) and others. A number of researches have been carried out by academics and scholars on identifying and analyzing those factors affecting the consumers' buying behaviour and as a result, various types of factors have been identified.

These factors have been classified into different types and categories in different ways by different authors. For instance, Wiedermann et al (2007) classified them into internal and external factor. On the other hand, Winer (2009) divided them into social, personal and psychological factors. Despite the fact that they have been classified into different groups by different authors they are similar in scope and purpose (Rao, 2007). There is a wide range of factors that can affect consumer behaviour in different ways. These factors are divided by Hoyer et al. (2012) into four broad categories: situational, personal, social and cultural factors.

There are various studies about on line consumer behavior. The most important studies on this subject are:

- *Geissler, (2012)* The shopping motivation literature is abound with various measures of individual characteristics (e.g., innovative, venturesome, cosmopolitan, variety seeking), therefore, innovativeness and risk aversion were included in this study to capture several of these traits.
- *Chen (2009)* in his dissertation entitled "Online consumer behavior: an empirical study based on theory of planned behavior" extends theory of planned behavior (TPB) by including ten important antecedents as external beliefs to online consumer behavior. The results of data analysis confirm perceived ease of use (PEOU) and trust are essential antecedents in determining online consumer behavior through behavioral attitude and perceived behavioral control. The findings also indicate that cost reduction helps the consumer create positive attitude toward purchase.
- *Ying (2006)* in his study "Essay on modeling consumer behavior in online shopping environments" examined online purchase behavior across multiple shopping sessions. Shopping cart abandonment is the problem of many e-commerce websites. He investigated abandoned shopping carts in an online grocery shopping setting. Specifically, he developed a joint model for the cart, order, and purchase quantity decisions. Empirical analysis shows that not all abandoned shopping carts result in lost sales. Customers routinely pick up abandoned carts and complete the final orders. Among the factors that propel customers to continue with aborted shopping are the time of shopping, time elapsed since the previous visit, the number of items left in the abandoned cart, and promotion intensity. The study offers marketers important managerial implications on how to mitigate the shopping cart abandonment problem.
- *Benbaset (2006)* The Relevant exogenous factors in the context of consumer behaviour are "consumer traits" "situational factors" "product characteristics" "previous online shopping experiences" and "trust in online shopping". By incorporating these exogenous factors next to the basic determinants of consumers' perception and intention to use a technology, the framework is applicable in the online shopping context. Together, these effects and influences on consumers' perception toward online shopping provide a framework for understanding consumers' intentions to shop on the Internet

- *Rogers (2003)* concluded that Online shopping features can be either consumers' perceptions of functional and utilitarian dimensions, like "ease of use" and "usefulness", or their perceptions of emotional and hedonic dimensions like "enjoyment by including both utilitarian and hedonic dimensions, aspects from the information systems or technology literature, as well as the consumer behavior literature are integrated in our framework.
- *Davis, (2002)* This raises the issue of examining what factors affect consumers to shop online. Therefore, a framework is needed to structure the complex system of effects of these different factors, and develop an in-depth understanding of consumers' perceptions toward Internet shopping and their intentions to shop online. The research suggests that consumers' perception toward Internet shopping first depends on the direct effects of relevant online shopping features.
- *Gupta Alok, su Bo-Chuan, Walter Zhiping(2004):* An empirical study of consumers switching from traditional to electronics channel; a purchase-decision process
- *Häubl Gerald & Trifis Valerie(2000):* Consumer decision making in online shopping environment-The effect of interactive decision aids
- *Reibstein Van der, 2002:* what attracts customers to online stores and what keeps them coming back.
- *Heijden van der, H.Verhagen T. Creemers M, 2003:* "Understanding online purchase intentions; contribution from technology and trust perspective"
- *Li, Kuo and Rusell(1999):* Attitude of consumer towards particular channels
- *Butler Patric, Peppard Joe(1998):* Consumer purchasing on internet: Process and prospects

One of the most relevant works in the field of on line consumer behavior is done by *Koufaris* in 2002. On the basis of his research work he asserted that it is very difficult to understand the online consumer behaviour as each day businesses and the marketing place are being transformed. He examined that the emotional responses to a website may affect customers to visit the website again. The results of his study revealed that the factors affecting the intention to return to a website are the enjoyment of the shopping experience and the usefulness of the web site.

Conclusion

The previous few years have seen an unprecedented growth in the number of online business players. *This ever increasing competition has called for adoption of new marketing strategies, new media and "out of box thinking" to influence the customer to visit the site and make purchases.* In India, e-tailing has the potential to grow more than hundredfold to reach a value of USD 76 billion by 2021. *The country's growing Internet-habituated consumer base, which will comprise about 180 million broadband users by 2020, along with a burgeoning class of mobile Internet users, will drive the online shopping story.* This paper strives to understand the decision making process of consumer. As e retailing is worth millions of dollars it is of utmost importance for the companies to know the degree of impact their new marketing campaign would have on potential customers. It would help them in channelizing more money and effort towards the strategy which has maximum impact on consumer psyche.

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