Empirical Analysis of the Factors Affecting Online Buying Behaviour

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ABSTRACT

Online Shopping is a form of E-commerce that allows consumers to directly buy good or services from a seller over the Internet. An online shop evokes the physical analogy of buying products or services at a regular "Bricks and Mortar" retailer or shopping centre, the process is called Business to Consumers online shopping. Increasing usage of Internet and availability of various facilities like smart phones enable consumers to buy online. The current study is aimed to find out the factors that affect the consumer's behaviour while buying online. For the study, data of 500 buyers from Chandigarh and near by region are randomly selected who are shopping online. The studied reported various psychological factors that induce consumers to buy shopping online.

Keywords: Consumer Behaviour, Psychological factors, E commerce, online shopping, Buying Behaviour.

INTRODUCTION:

Understanding the buying behaviour of the consumers is to predict the buyer's reaction in the markets. There is a paradigm shift in the approach of the marketers. Markets are becoming more consumer oriented and so the marketers put a great thrust on the study of consumer behaviour. Consumer behaviour is the study of how customers select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. These are the actions of the consumers in the marketplace and the underlying motives for those actions. Consumer behaviour is concerned with all aspects of purchasing behaviour - from pre-purchase activities through to post-purchase consumption, evaluation and disposal activities. It is also concerned with all persons involved, either directly or indirectly, in purchasing decisions and consumption activities including brand-influencers and opinion leaders. Internet has revolutionised communication world like nothing before. There is great transition in the world of marketing due to Internet. Internet has emerged as a useful marketing tool to serve as platform for domestic and international transaction. E commerce is a transaction of buying and selling online. It employs online shopping, online market places, Business to business buying and selling, electronic data interchange, newsletter, online financial exchanges. New technologies, better access to relevant data, more sophisticated online capabilities has changed the shopping trends. Internet has been considered as a medium that provides the consumer with purchase characteristics as no other medium. There are many reasons due to which the consumers buy online i.e. Convenience, better prices, variety, fewer expenses, comparison of prices, crowds, compulsive shopping and discreet purchase. Studying consumer behaviour understands the buying behaviour of the individuals that they show while making the purchase decisions. Kotler (2012) explained the consumer buying decision process in five stages that starts from the Problem Identification, Information search, Evaluation of alternatives, Purchase decision and Post purchase behaviour.

REVIEW OF LITERATURE:

Moshrefjavadi et al (2012) conducted a study on the analysis of factor affecting on online shopping behaviour of consumers. The study was conducted with a model examining the impact of perceived interest, infraction variables and return policy on the attitude towards online shopping behaviour and subjective noun, perceived

behaviour control, domain specific innovativeness as an active shopping behaviour. The study was conducted on 200 customers of online shopping of Iran. The study concluded that financial crisis and non delivery risk, negatively affected attitude towards online shopping. Results also shown that domain specific innovativeness and subjective names positively affect online shopping behaviour.

Bauboniene and Guleviciute (2015) conducted a study on e-commerce factors influencing consumer online shopping decision. The study focused on exploring the factor that encourage consumers to shop online through analysis of such advantages as security, fast delivery, comparable price, convenience, cheaper prices and wider choice. The research was conducted on 183 consumers who were purchasing online. The study showed that the main factor influencing consumers to shop online are Convenience, simplicity and better price. The study concluded that respondents of age 25-35 year age group often choose shopping online for such reasons as lack of time and wide range of productivity.

Laohanpensang (2009) conducted a study on the factors influencing internet shopping behaviour of consumers in Thailand. The study was conducted on the theory holds that a potential consumer's attitude, subjective noun and perceived behavioural controls can influence the intention and its emotional realisation. The subjects are drawn graduates at four major universities in Thailand. The study revealed that shopping online is seen as the factor mostly influences customer's intention to shop online. In this study, online-testing is seen on the principal barrier to using the internet for online shopping. In contrast, it is found elsewhere that a potential customer's attitude is the factor having most influence on the intention to shop.

Ganapathi (2015) conducted a study on factors affecting online shopping behaviour of consumers in Chennai. The study was conducted on 300 online shopping customers in Chennai and factor analyses have been done to explore the factors affecting online shopping. The study revealed that convenience, website features, security and time saving are the factors that affect the customers and the region analysis indicates that these features significantly influence the purchasing level. Online retailers also need to ensure that they provide an efficient delivery service to the consumers.

Nagra and Gopal (2013) conducted a study on the factor affecting on online shopping behaviour of customers. The study was conducted using qualitative and presentable research methods to explore the impact of demographic factors of consumers as online shopping parameters like satisfaction with online shopping future purchase intention, frequency of online shopping, number of items purchased and overall spend on online shopping. The results proved that the respondents have perceived online shopping in a positive manner. The frequency of online shopping is relatively less in the country.

Sharma et al (2014) conducted a study to explore various factors for marketing professionals to develop a better marketing strategy to boost online shopping in Indian retail markets. The study revealed that maximum users have an experience of more than 3-4 years. Maximum people are facing online stress for shopping. Majority of customers do online shopping for booking tickets online and books but very few prefer to buy toys online. Majority of respondents agreed that the online transactions are secure. Majority of respondents get stimulated through various offers for online shopping.

Khanh and Gim (2014) conducted a study on the factors affecting online shopping behaviour of customers in Vietnam. For the study 238 participants have been selected and a survey questionnaire was used. The results revealed that perceived economic benefits, perceiving of merchandise and perceived payment benefits have significant direct effects on consumers behaviour adoption of online shopping. To promote online shopping in Vietnam, is to increase the ability to recognise the benefits of body products on the internet, addition to that influences of online payment. The study also showed that the development of ecommerce in Vietnam is very difficult, the fear of risk taking when deadly on the internet on the served aspects to the product/service and the transaction. In this study , principle Axis factory with Promax methods are used to validate measures ,help the study refer the supposed research Model and increase knowledge of the four antecedents of trust predicting customers trust.

OBJECTIVE:

The current study is aimed at extracting various psychological factors that effect the buying behaviour of the consumers shopping online.

Design of the Study:

Descriptive method of research is used to know the factors that affect the buying behavior of the consumers who are shopping online..

Population and Sample Size:

The term research population refers to all members of the group of interest to the researcher. The population of the present research are the customers who are doing online shopping. The sample of 500 customers are randomly drawn from areas in and around Chandigarh.

Research Instrument Used:

The Questionnaire prepared consisted of Likert's five-point scale for measuring attitudes & behavior of the customers where strongly disagree is coded as 1 while strongly agree is coded as 5.

Reliability:

Its reliability has been tested by applying the Cronbach Alpha whose value came out to be **0.911** which is acceptable indicating that the internal consistency of the questionnaire is good.

ANALYSIS & FINDINGS:

The Current study is aimed to find the Psychological factors that affect the buying behaviour of consumers who shop online. There are many factors that affect the buying behaviour of the individuals. For the analysis demographic factors have been analysed through frequency and psychographic factors have been extracted through compared mean value for different factors.

Table 1.1: Distribution of the respondents on the basis of Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	160	32.1	32.0	32.0
	Female	340	67.9	68.0	100.0
	Total	**500**	**99.8**	**100.0**	

Table 1.1 explains the gender profile of the respondents. It shows that majority of respondents are female with 67.9% in comparison to males with 32.1%. The study clearly indicates that in case of online shopping also females are more advanced.

Table 1.2: Distribution of the respondents on the basis of Age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25 years	105	21.0	21.0	21.0
	26-35 years	180	35.9	36.0	57.0
	36-45 years	90	18.0	18.0	75.0
	46-55 years	85	17.0	17.0	92.0
	Above 55 years	40	8.0	8.0	100.0
	Total	**500**	**99.8**	**100.0**	

Table 1.2 explains the profile of the respondents on the basis of their age group. The majority of respondents belong to the age category of 26-35 years with 36% respondents followed by 18-25 years age group with 21% respondents , 36-45 years and 46-55 years. The study indicates that for online shopping age is not an influencing factor. People are getting more advanced towards Internet and so for online shopping.

Table 1.3: Distribution of the respondents on the basis of Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	350	69.9	70.0	70.0
	Unmarried	150	30.1	30.0	100.0
	Total	**500**	**100.0**	**100.0**	

Table 1.3 explains the marital status of the respondents. The study showed that majority of the respondents are married with 70% than unmarried with 30%. This reports that married people have more tendency to buy online.

Table 1.4: Distribution of the respondents on the basis of Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Undergraduate	111	22.2	22.2	22.2
	Graduate	167	33.3	33.4	55.6
	Post Graduate	155	30.9	31.0	86.6
	Others	67	13.6	13.4	100.0
	Total	**500**	**100.0**	**100.0**	

Table 1.4 explains the profile of the respondents on the basis of their qualification. Study reported that majority of the respondent are Graduates with 33.4% followed by Post graduates with 31% and Undergraduates with 22.2% which shows that qualification does not impact the buying behaviour of the consumers while buying online.

Table 1.5: Distribution of the respondents on the basis of Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Than 20000	25	5.0	5.0	5.0
	20000-40000	115	23.0	23.0	28.0
	40000-60000	130	26.0	26.0	54.0
	60000-80000	125	25.0	25.0	79.0
	80000-100000	105	21.0	21.0	100.0
	Total	**500**	**100.0**	**100.0**	

Table 1.5 explains the profile of the respondents on the basis of their Income. The study shows that majority of respondents are from the salary group 40000-60000 with 26% followed with a minor difference of income group of 60000-80000 with 25% and 20000-40000 with 23%.

FACTOR ANALYSIS:

Factor analysis is a tool for data reduction and structure detection. Different factors have been studied and the role of factor analysis is to keep the significant factors and omit the non significant factors. The method followed here is the Principal Component Analysis along with rotation procedure of Varimax for summarizing the original information with minimum factors and optimal coverage. Here the Kaiser-Meyer-Olkin measure of sample adequacy test is followed and Bartlett's test of sphericity if followed to check if the factor model is appropriate.

Table 1.6: Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity test

KMO and Bartlett's Test[a]		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.949
Bartlett's Test of Sphericity	Approx. Chi-Square	17098.410
	df	91
	Sig.	.000
a. Based on correlations		

As per Kaiser Criterion, we retain only those components whose Eigen value is greater than 1. This is because unless a factor extracts at least as much as the equivalent of one original variable, we drop it. The KMO measures the sample adequacy which should be greater than 5 for satisfactory factor analysis and in our study KMO value is 0.949. The degree of common variance is marvelous as per Kaiser Criterion among all variables. If a factor analysis is conducted, the factors extracted will account for substantial amount of variance

Table 1.7: Total Variance Explained by Factors

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Ease in Selection	4.946	32.976	32.976	4.946	32.976	32.976	3.155	21.031	21.031
Better Option	3.041	20.274	53.250	3.041	20.274	53.250	3.091	20.605	41.636
Promotion	1.356	9.041	62.291	1.356	9.041	62.291	2.185	14.567	56.204
Convenient	1.044	6.961	69.252	1.044	6.961	69.252	1.957	13.048	69.252
Extraction Method: Principal Component Analysis.									

The table shows that these four components are Eigen value more than 1, so the four components will be used. The cumulative percent of the variance explained by these factors is 69.252%.

Factor loading is the correlation between a variable and a factor that has been extracted from the data. For rotated factor loadings we will consider only those statements whose factor loading is more than 0.5.Rotation with factor loading is used to eliminate all the statements whose factor loading is less than 0.5.

Table 1.8: Rotated component with factor loading for all items greater than 0.05

	Component			
	Ease in Selection	Better Option	Promotion	Convenient
I don't need to go outside for looking different Products	.952			
I don't get embarrass if I don't buy anything	.952			
Can find products that are not available in the stores	.952			
Access to more variety		.995		
Ease of product return and money refund		.995		
My friends and relatives also induce me for buying online		.995		
Ease of comparison			.747	
Promotional offers			.769	
No need to deal with sales people			.701	
Convenience				.700
Ease of Finding products				.515
Inclination towards trying something new				.573
Known or Famous brand Name				.628

Four components were factor analyzed by Principal Component analysis using Varimax rotation. The analysis yields four components i.e. Promotion, Social class, Perception and religion. Out of 15 statements while using rotation 2 statements were deleted as their factor loading was less than 0.5.

First factor is labelled as Ease in Selection. The factor is loaded with three items. It is clear from these items that they are related to the easy selection of the products while buying online. These items include no need to go outside, they don't get embarrass when they don't buy and they can get the products which are otherwise not available in the market. Rather than wandering for a particular in different they can search for the products while sitting at their home.

Second factor is labelled as Better Option. The factor is loaded with three items. It is clear from these items that they are related to more access to the variety to opt for a better option. These items include access to more variety, influence of social class and ease of return and exchange. Accessing more variety is always a preference for the customer and if they get easy option for the refund or exchange will always be preferred.

Third factor is labelled as Promotion. The factor is loaded with three items. It is clear from the items that they are related to the promotion offers provided by the various online merchants. Customers also prefer to avoid sales people as they feel they exaggerate the qualities of the product so they want to self analyse the product and

the online merchants have to clearly mention the details of the product.

Fourth factor is labelled as Convenient. The factor is loaded with four items. It is very clear that Convenience is most influential factor as people are busy enough that they can't get too much time for the shopping of the necessities too and the online merchants provided better delivery options and they can choose from a wide range of products.

CONCLUSION:

The current was aimed at the extracting various psychological factors that affect the buying behaviour of the customers who are shopping online. Internet has made a paradigm shift in the market. Earlier people were not inclined towards online shopping but after getting awareness about the benefits they can avail through shopping online, they are getting more attracted towards online shopping. Now as there are huge online merchants, they need to consider the behaviour of the customers while preparing their marketing strategies. Through factor analysis various factors have extracted that influence the buying behaviour of the customers. The factors influencing the buying behaviour of the customers most are Convenience, ease of searching the products, getting better option to buy and the various promotional offers given by online merchants.

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