

INFLUENCE OF CONSUMER BUYING BEHAVIOR TOWARDS E – RETAILING

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Abstract

The phenomenal growth in the retail sector has given a rise to the business revolution. This revolution focuses businesses to move towards E- retailing. So, therefore understanding the consumer's behavior is necessity for the e- retailers to attract and target the potential customers. This study mainly emphasizes on influence of consumer buying behavior towards E- tailing. It is based on primary data which is collected from 150 consumers through questionnaire. Collected data's were analyzed with various statistical tools such as percentage, Chi – Square and ANOVA were used to know the influence of consumer buying behavior towards E- retailing.

Keywords: Consumer buying behavior, E- retailing, Retailers.

INTRODUCTION

At present digital media is an inevitable part of shopping experience for the consumers. Advancement in the technology of networking, multimedia, data processing, electronic commerce created new business opportunities for retailers and makes everything available in the door step of the consumers. This allows the consumers to purchase the product directly from the retailer through online by using web browsers. E – Commerce is becoming more popular, where the people could share their ideas, shape their future demographical, interact with others to build their communities and to gives a way for doing new business in online floor. It is believed that it is an important channel for earning business revenues. Internet is the biggest shopping mall which makes the retailers to do their business with lowest cost involved, yet covering global market. Usage of internet is increasing, so therefore the retailers started using internet for promoting their products and services in online floor to attract and retain the potential customers.

STATEMENT OF PROBLEM

Retailers are facing difficulties with rapid changing and continuous shifting of business environment. Consumers are keen about their choice in choosing their products and services. This has made the retailers to make their products and services available in online floor. So therefore retailers should adopt E- retailing to satisfy the shopper's need and retain the consumers to meet the competition with other retailers.

IMPORTANCE OF THE RESEARCH

Retail sector is growing rapidly and this has shifted the consumer buying behavior towards online floor. Therefore it is important to seek out the factors that influence the consumers buying behavior which indirectly contributes to the economic development. Frequent changes in technology had been adopted by the retailer to cut throat the competition and also to satisfy and to retain the consumer. So, therefore it is important to study about the consumer buying behavior towards E- retailing and also to examine the factor that influence E – retailing.

OBJECTIVE OF THE RESEARCH

- To determine the effectiveness of online shopping among consumers.
- To examine the psychographic profile of the consumers who purchase online.
- To identify the challenges and strategies to enhance E- retailing.

REVIEW OF LITERATURE

The concept of consumer buying behavior and E- retailing has been subject of many studies and research endeavors among the scholars throughout the world. The following are the some relevant studies presented here.

1. **Prasad and Aryasri (2011)** made a detailed study and unpack that shoppers' age, gender, occupation, education, monthly household income, family size and distance travelled to store have significant association with retail format choice decisions. The findings from shoppers' psychographic dimensions like values, lifestyle factors and shopping orientations resulted in segmentation of food and grocery retail consumers into hedonic, utilitarian, autonomous, conventional and socialization type.

2. **Jiang and Rosenbloom,(2005)**, Shoppers may save their time in e-shopping because they do not have to go through any effort on travelling to a mall or saving their time in other psychology factors such as traffic jam etc. Online shopping increases search efficiency by eliminating travelling costs and psychological costs brings convenience in e-shopping

3. **Monsuwe, Delleart and Ruyter (2004)**, there are five external factors to understand consumer's intention to purchase in the internet which is the consumer personality, situational factors, product characteristics, previous online shopping experiences and the trust in online shopping. Consumer's trait includes their demographic factors such as age, income, gender and educational level will lead them to have the intention to shop online. For age factor, consumers that are aged under 25 has more potential to shop in online because of their interest in using new technologies to search for product information and compare and evaluate alternatives (Wood, 2002). For educational level, higher educated consumers are more likely to use the internet for their shopping medium because they are more computer literate

4. **Burke, (2002); Parasuraman and Zinkhan, (2002)**, examined the perceived risk is expected to be more in internet shopping. It was found that there will be risk, privacy, security, visual appeal, delivery terms, form of payment and product information. Besides that, quality of a product cannot be physically checked by the consumers and the security of sending sensitive personal and financial information while conducting online shopping cannot be monitored by the consumers. For apparel shoppers, they should use the internet to search for extra information to reduce risk in decision making because of they are unable to try on the garment Attitude towards security transaction such as payment security, consumer information privacy, return policy, and product shipping guarantee predicts online purchasing intentions for apparels product.

5. **Rainie & Packel, (2001)**, examined the scope of using the range of online activities by customers. Demographics and access is the Internet access preference of different demographic groups. Some demographic groups, based on age, income, gender, and education, have much higher percentages of online usage than other groups. Ethnicity is also a factor that can differentiate Internet access attitude among different ethnic groups though variation across ethnic groups is not as wide as across age groups. Traditional media, such as TV, are competing with the Internet for consumer attention. Media choices therefore also impact consumer online behavior. Education, lifestyle and gender also affect customer online shopping behavior.
6. **Kim et al (2000)** discovers that customer lifestyle and income are significantly related to purchasing behavior on the Internet. Customers who are more price-oriented and/or time oriented perceive more benefit and less risk through online shopping. Customers who have more disposable income perceive have more preference to purchase online.
7. **Bellman et al (1999)** Examines the some that predict customer buying behavior: look for product information, months online, number of daily emails, work online at work every week, read news online at home every week, total household working hours, click on banners, and agree that Internet improves productivity. The authors believe that looking for product information is the most important predictor of online buying behavior.

METHODOLOGY

This study is Descriptive in nature to explore the influence of consumer buying behavior towards E-retailing. The study was conducted using both primary and secondary

data. Convenience samplings were employed for collecting the data from consumers through questionnaire. The first part of the questionnaire consist of demographic profile and the second part consist of five point scaling questions related to consumer buying behavior towards E- retailing. The sample size of the research is restricted to 150 consumers. Secondary data was also collected from various books, journals, magazines, websites and newspapers. Collected data were analyzed with statistical tools like percentage analysis, Chi – square and one way ANOVA were used.

RESULTS AND DISCUSSIONS

The results of the study lights on influence of consumer buying behavior toward E- retailing which enlighten on consumer satisfaction, awareness level , reliability , trust and attitude towards retail sectors.

Demographic Profile of the Respondents

The profile of the respondents are summarized in table -1 which helps to segment the consumer based on their gender, age, education qualification, occupation, annual income and family type. So, therefore percentage analysis was used to analyze the influence of consumer buying behavior towards E- retailing.

Table – 1: Demographic Profile of the Respondents

	Profile	Frequency	Percentage
Gender	Male	90	60.0
	Female	60	40.0

Age	Below30 years	106	70.7
	Above30 years	44	29.3
Occupation	Student	65	43.3
	Professional	35	23.3
	Business	27	18.0
	Employed	23	15.3
Education	Graduation	26	17.3
	Post-Graduation	78	52.0
	Professional	36	24.0
	Others	10	6.7
Annual Income	Less than 1,00,000	40	26.7
	1,00,000 to 3,00,000	60	40
	3,00,000 to 5,00,000	27	18
	5,00,000 and above	23	15.3
Family	Nuclear family	124	82.7
	Joint family	26	17.3
Total		100	100.0

Source: Primary data

In the study, Out of 150 respondents 60% majority of the respondents were male and remaining 40% were female. The most of the respondents are in the age group of below 30 years. Post graduate account for 52% of the sample while Professional was 24%. With respect to occupation, 43.3% of the respondents are student. The monthly income statistics reveals that 40% of the respondent earn between 1, 00,000 and 3, 00,000. With respect to family type most of the customers 82.7% belongs to nuclear family.

**TABLE – 2 INFLUENCE OF CONSUMER BUYING BEHAVIOR TOWARDS
E-RETAILING**

How Frequently do you shopping online	Once in a week	22	14.6
	Once in a month	42	28.0
	Once in 2-6 month	58	38.7
	Once in a year	28	18.7
Who influence you to purchase products through online	Friends and relatives	64	42.7
	Advertisement	48	32.0
	Colleagues	24	16.0
	Others	14	9.3
How much do you spend to purchase online per month	Less than Rs.1,000	73	48.7
	Between Rs.1,000 to Rs.3,000	41	27.3
	Between Rs.3,000 to Rs.5,000	23	15.3
	Above Rs.5,000	13	8.7
Reason for Preferring online shopping	Enjoyable & Entertaining	28	18.7
	Convenient	48	32.0
	Offers and discounts	26	17.3
	Time consuming	30	20.0
	Availability of many brands	18	12.0
Total		150	100

Source: Primary data

From the above table, 38.7% of respondent shop online once in the 2-6 month which is followed by 28% customers purchase through online once in a month. Most of the respondents were influenced by their friends and relatives to purchase the product online which is followed by 32% of advertisement.48.7% of respondents spend less than Rs.1000 towards online purchase and 27.3% of the respondent spent between Rs.1,000 to Rs.3,000 for online shopping per month. 32% of the respondent shop online because they feel it's the convenient and time consuming one to prefer online shopping.

TABLE -3 CROSSTABULATION SHOWING GENDER AND INFLUENCE ON ONLINE SHOPPING BEHAVIOR

Gender	Gender		Total
	Influenced on Online shopping behavior	Not influencing on online shopping behavior	
Male	68	22	90
Female	28	32	60
Total	96	54	150

Source: Primary data

From the above table it is clear that 68 of the respondents are male and 28 respondent were female were influenced by online shopping behavior. 22 of the male respondents and 32 of the female respondents were not influenced by online shopping.

H₀ (Null hypothesis) = There is no significance difference between the gender and the influence on the online buying behavior toward E- retailing.

H₁ (Alternate hypothesis) = There is significance difference between the gender and the influence on the buying behavior towards E-retailing.

TABLE - 4 CHI-SQUARE SHOWING GENDER AND INFLUENCE ON ONLINE BEHAVIOR TOWARDS E-RETAILING

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.660 ^a	1	.000

Source: Primary data

The Pearson Chi- Square calculated value is 18.660 and it is significant at the level of significance .000 at the degrees of freedom 1. In chi-square analysis if the significant value is lesser than 0.05 then accept the null hypothesis and reject the alternate hypothesis.

In the above obtained result, since the significance value is lesser than table value, at the level of significance 0.05 the null hypothesis is accepted and alternate hypothesis is rejected and it is concluded that **there is no significant difference between the gender and influence on online buying behavior of the customers towards E- retailing.**

TABLE – 5 CROSSTABULATION SHOWING OCCUPATIONS AND INFLUENCE ON ONLINE BUYING BEHAVIOR TOWARDS E-RETAILING

Crosstab			
Occupation	Occupation		Total
	Influenced on online shopping behavior	Not influencing on online shopping behavior	
Student	40	25	65
Professional	15	20	35
Business	11	16	27
Employed	13	10	23
Total	79	71	150

40 of the respondents are students and these students are influencing factor in the buying behavior, 20 of the respondents are professionals, 16 business people and 10 private employees were not interested and not the influenced the online buying behavior.

H₀ (Null hypothesis) = There is no significance difference between the occupation and the influence on the online buying behavior towards E-retailing.

H₁ (Alternate hypothesis) = There is significance difference between the occupation and the influence on the online buying behavior towards E-retailing.

TABLE – 6 CHI-SQUARE SHOWING OCCUPATIONS AND INFLUENCE ON ONLINE BUYING BEHAVIOR TOWARDS E-RETAILING

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.228 ^a	4	.265

Source: Primary data

The Pearson Chi- Square calculated value is 5.228 and it is significant at the level of significance .265 at the degrees of freedom 4. In chi-square analysis if the significant value is lesser than 0.05 then accept the null hypothesis and reject the alternate hypothesis.

In the above obtained result, since the calculated value is higher than table value, at the level of significance 0.05 the null hypothesis is rejected and alternate hypothesis is accepted and it is concluded **that there is significant difference between the occupation and influence on online buying behavior of the customers towards E- retailing**

TABLE – 7 ONE WAY ANALYSIS OF EDUCATION QUALIFICATION AND INFLUENCE ON ONLINE BUYING BEHAVIOR TOWARDS E-RETAILING

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.136	2	.068	.403	.669
Within Groups	23.089	137	.169		
Total	23.225	139			

Source: Primary data

H₀ (Null hypothesis) = There is no significant difference between education qualification and influence on online buying behavior towards E- retailing.

H_1 (Alternate hypothesis) = There is a significant difference between education qualification and influence on online buying behavior towards E- retailing.

The above table shows that the effectiveness of ERP system based on influence of the consumers towards online shopping. The F value is .403 and it is significant at the level of .669 at the degrees of freedom 2. In F test if the significant value is above 0.05 then Accept null hypothesis and reject the alternate hypothesis. And this study **there is no significant difference between education qualification and influence on online buying behavior towards E- retailing.**

TABLE – 8 ONE WAY ANALYSIS CONSUMER BUYING BEHAVIOR AND THEIR ANNUAL INCOME

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.023	2	.012	.050	.952
Within Groups	32.387	137	.236		
Total	32.411	139			

Source: Primary data

H_0 (Null hypothesis) = There is no significant mean variation between buyers buying behavior and their annual income.

H_1 (Alternate hypothesis) = There is significant mean variation between buyers buying behavior and their annual income.

The above table shows that the effectiveness of ERP system based on influence of the consumers towards online shopping. The F value is .05 and it is significant at the level of significance .952 at the degrees of freedom 2. In F test if the significant value is above 0.05 then Accept null hypothesis and reject the alternate hypothesis. And this study **there**

is significant mean variation between buyers buying behavior and their annual income.

SUMMARY AND SUGGESTIONS

The study finds that convenience, enjoyment, entrainment, time saving, offers and discount, wide range of products are factor influencing buying behavior of the consumers towards E- retailing. So, therefore retailers should concentrate more on E-retailing. They should provide trust, privacy and security measures to attract and retain their prospective consumers.

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