



To study the average consumer spending and frequency of online purchases

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Abstract

Manufacturers and service providers now have access to a new market thanks to the deployment of internet technology. Online retail shopping is becoming more and more popular among customers. One major factor contributing to the expansion of internet purchasing is the expanding consumer base, particularly among young people. Customers used to mostly purchase electronic goods online a few years ago. However, as consumers' lifestyles have evolved and their level of living has increased, especially for young people working in IT firms, internet coverage is now being expanded to include watches, clothing, fragrances, beauty goods, home furnishings, kitchenware, and more. Online customers are more creative, variety-seeking, brand price sensitive, and less risk averse than traditional shoppers, according to earlier studies. Consumer expectations need to be redefined and reshaped by e-retailers. By examining the pre-, during-, and post-purchase behavior of online buyers, it would be possible to gain insight into the subtleties of their attitudes and how they shop online. As a result, this study on consumer attitudes about online shopping is necessary to explore, comprehend, and evaluate the attitudes of customers who make purchases online as well as the difficulties they encounter when doing so. In the state of Maharashtra's, the researcher's study area, Palghar District, has become the second most urbanized district. Additionally, the district has the highest literacy rate among both urban and rural residents. In comparison to other districts, the standard of living is also high. Naturally, this neighborhood may have more prospective online customers to target as a result of these benefits. Therefore, it is essential and vital in this context to conduct a thorough analysis of consumer attitudes based on their behavior before, during, and after purchases.

Keywords: Manufacturers, E-Retailers, Online Shopping, Behavior

Introduction

As technology advances quickly, more and more individuals are choosing to buy goods and services online. Online shopping is unquestionably a highly convenient option for customers to purchase goods because they can do it without physically being in a mall. Due to the exponential rise in internet usage and the resulting increase in online buying, the competition between physical and online retailers has been more intense in recent years. It has simplified buyers' lives.

Technology has altered how consumers and retailers communicate. It has made it possible for marketers to develop their online brand equity and image. These are the six ways that retail technology and digitization will impact online purchasing in the future.

Smart Phone Shopping

Despite being a latecomer to the smartphone and tablet market, India now appears to be following international

trends. Phablet sales are another expanding trend in the smart phone market. These are large devices that combine the features of a tablet and a smartphone, with screens that range in size from five to seven inches. Customers are increasingly adopting it for online purchasing, and it is perfect for web browsing.

Behavioural analytics

Customer behavioral analytics is becoming more and more important as more mobile users turn to online buying. Consumers like to explore products and services online, but they anticipate that e-commerce sites will provide them with a wide range of options based on their tastes and purchasing patterns. Retailers can enhance their merchandising, supply chain, marketing, advertising, and other strategic choices with the use of online business analytics, which provide comprehensive data on consumer behavior trends.

Online marketers may learn a lot from behavioral analytics, which records customers' search and purchase histories as

well as their contacts with customer service representatives. Retailers can use this data to forecast and recommend pertinent goods and services to their target market.

Dynamic Pricing Strategic

The internet retail industry is fiercely competitive and price-sensitive. E-retailers employ dynamic pricing, a tactic in which the cost of the goods or services is adjusted based on supply and demand. Retailers can adjust the prices of their goods using this flexible pricing method in response to both internal (such as inventory and sales targets) and external (such as competition) considerations.

A shop will temporarily raise a product's price when they observe that it is selling quickly in order to prevent running out of stock. In a similar vein, a company may decide to increase sales by lowering the price of its goods when its sales goals are high.

Additionally, dynamic pricing helps businesses make wise pricing decisions by allowing them to keep an eye on the pricing tactics of their rivals. For example, a company may decide to raise prices if its competitors' stocks are low, which would increase sales and profits.

Dynamic pricing is essential for the online shopping market since real-time price adjustments have a big effect on e-commerce companies' bottom lines.

Artificial Intelligence (AI)

In actuality, it is a method of controlling consumer communication with online retailers. These days, e-retailers use chatbots and other artificial or machine intelligence tools to mimic online client encounters.

Additionally, AI handles customer data, analyzes and influences consumer purchasing decisions, stops fraudulent transactions, and forecasts consumer behavior. Online shops can also use it to automate their operations.

High Supply Chain Efficiency

Customers today typically have a "buy-now" mentality and anticipate simple service throughout the order's whole lifecycle.

According to an annual research published in the Future of Retail in 2017, consumers now anticipate easy and speedy shipping, delivery, exchanges, and returns from online retailers. Therefore, rather of just growing their customer base, businesses should concentrate on enhancing the shopping experience for their customers.

Using the lean methodology to optimize these processes and get rid of unproductive operations, retail technology is helping e-retailers enhance their supply chain and logistics. Business processes can be made more efficient by implementing supply chain strategies like cross docking, direct distribution to retailers, real-time delivery, third-party logistics, and cross-functional integration.

Review of Literature

In the city of Amritsar, Chaudhary and Verma (2016) [1] investigated how age and occupation affected consumers' purchasing decisions for branded ready-made clothing. One hundred respondents who regularly buy ready-made clothing provide primary data. According to the survey, when it comes to consumer behavior, lifestyle has the least influence and reference groups have the greatest influence.

In the study of (Mittal, 2016) [2], two basic research aspects were addressed. The components of the durable goods purchasing process are the first, and the factors influencing consumer purchasing behavior are the second. Several questionnaires were created as part of the research process using questions found in the literature. A total of 300 respondents are included in the sample. The findings show a weekly correlation between the independent and dependent variables. Nonetheless, respondents who live in Indore are directly influenced by their friends, family, and social standing when it comes to the purchasing decisions of consumers. Even if there are many distinct brands of products on the market, customer knowledge of branded products has an impact on their purchasing behavior. When consumers buy durable products like air conditioners and refrigerators, brand loyalty and product information are important considerations.

Although marketing is not new to any company, it is a key component of all businesses, claim Thangasamy and Patikar (2014) [3]. Since no commodity can go straight from the site of production to the point of consumption, marketing machinery is crucial. Whether a product is long-lasting or not, the consumer wants their requirements met. Achieving the greatest excess is the consumer's primary goal. The marketer puts in a lot of effort to ensure that their company expands, operates profitably, and makes the most money possible. When it comes to a satisfactory exchange of goods, the producer and the consumer reach a point. Marketers always conduct research on product planning strategies and client needs. Numerous factors influence the purchasing behavior of consumers.

H. H. Kumar, John, & Senith, (2014) [4] investigated a number of internal and external factors impacting Maharashtra's and Kerela residents' decisions to buy cosmetics. Five hundred individuals who use cosmetics were given the questionnaires. Only 412 completed questionnaires with the necessary data were received. There are two sections to the results presentation. The findings of demographic characteristics and their effects on purchasing decisions were the subject of the first section, while the factors influencing the same were the focus of the second. The findings indicate that there is a notable variation in brand aspects according to economic level. Furthermore, there was no discernible difference between psychological and personal characteristics.

Research Objectives

1. To investigate the most popular product and service categories among internet shoppers.
2. Determine the average consumer spending and frequency of online purchases.

Research Methodology

The study made use of both secondary data and primary data.

Primary Data: The goal of the study was to identify the characteristics and elements that influence customers' online shopping behaviour. It was a micro-study, with primary data obtained from a sample of 800 purchasers and decision makers. They were polled using a scheduled interview schedule and a personal interview technique.

Secondary Data: Secondary data was gathered from the Palghar district government's website, websites with online shopping databases, and websites with articles and research studies about online shopping. The sampling unit in this study is the Decision Maker/Buyer.

Tool for data collection

The interview schedule, which includes closed-ended questions, a rating technique, and a five-point scale, is the major tool for data gathering. From highly agree to strongly disagree on a likert scale.

The interview schedule has been divided into four aspects, the first of which is demographic factors, which look at the respondent's demographics such as gender, age group, education, income, occupation, marital status, and the number of family members. The next three categories seek to identify the characteristics and elements that influence consumers' online purchasing behaviour.

Statistical tools for analysis

Following the completion of data collection using the questionnaire approach, a thorough verification has been done in order to proceed with data processing. The SPSS software is then used to code each question and input it into the computer for additional analysis. The data gathered for the study has been analyzed using a variety of statistical and mathematical techniques.

Results and Data Analysis

Maritals status: A person's connection with a significant other can be described by either their marital status or their civil status. Given that spouses have a significant influence on purchasing decisions, marital status is an important consideration.

Table 1: No. of respondents on the basis of marital status

Sl. No.	Marital Status	No. of respondents	Percentage
1	Married	511	63.9
2	Unmarried	289	36.1
	Total	800	100

Source: Primary Data

According to the above table 1, 36.1 percent of respondents are single and 63.9 percent are married. Because their family needs and wants are greater than those of unmarried respondents, married respondents are more likely to shop online.

Table 4: Rotated component matrix for attitude to wards online purchasing

Sl. No.	Factors	Components					
		Safety	User friendly	Reliability	Prompt Delivery	Comfort	Convenience
1.	Get accurate ordered product	.751					
2.	Secured payment	.708					
3.	Consumer Privacy is well protected	.700					
4.	Secured shopping	.680					
5.	Easy payment options		.753				
6.	Simple procedure		.637				
7.	Touch-Feel		.521				
8.	Reliable product specification			.737			
9.	Reason able price			.716			
10.	Prompt refund			.666			
11	Prompt delivery				.787		

Distribution of respondents by nature of the family

The nature of a family reveals how much each member is committed to the others and how much work they have ahead of them. The respondents' classification according to their family type-nuclear or joint-is displayed in the table 2.

Table 2: No. of respondents on the basis of type of the family

Sl. No.	Family Type	No. of respondents	Percentage
1	Nuclear	608	76
2	Joint	192	24
	Total	800	100

Source: Primary Data

The data shows that 192 (24 percent) of the respondents are from joint families, while 608 (76 percent) are from nuclear families. As a result, compared to respondents from joint families, the majority of nuclear family respondents shop online.

Key factors influencing consumer attitude towards online shopping

This study investigates the main determinants of consumers' attitudes about internet buying. To determine the main factors, the seventeen variables of a shopper's attitude are subjected to factor analysis using the principal component approach. Kaiser Meyer Olkin (KMO) and Bartlett's Test of Sphericity are used to estimate the appropriateness of this analysis, and the findings are displayed below.

Table 3: KMO and bartlett's test

KMO Measure of sampling adequacy Bartlett's Test of sphericity	.638
Application of Chi-Square value	1285.855
Degrees off reedom (D.F)	196
Significance	.000

The KMO value (0.649) is really high. Similarly, the estimated chi-square value of 1285.855 at 196 degrees of freedom, which is significant at the five percent level, indicates that the Bartlett's test rejects the null hypothesis that the traits are unrelated. As a result, this factor analysis could be regarded as a suitable method. The Rotated Component Matrix table, which was discovered using the Varimax approach and is utilized to assign the attitude toward online purchases with larger loadings, is shown in Table below.

12	Delivery charges				.543		
13	Comfortableinsurfing					.771	
14	Familiar to webstores					.581	
15	Response to enquiry					.577	
16	Shopat any time						.723
17	Saves time						.517

Extraction method: Principal Component Analysis Rotation method: Varimax with Kaiser Normalization

Table rotational component matrix displayed the variable loadings for each of the main determinants of online shoppers' impulsiveness. It is noted that the first component, "safety," is made up of four variables. Three variables make up the second factor, which is referred regarded as "user friendly." Three variables collectively referred to as "reliability" make up the third element. The fourth component, "prompt delivery," is made up of two variables. The fifth element, referred to as "comfort," is made up of three variables. The sixth element, referred known as "convenience," is made up of two factors (table).

Conclusion

The old retail operating model is at a crossroads as a result of the rise of online retailing as a major sales channel, the entry of new competitors, and the growing demand from consumers who are becoming more active. With new tactics and significant investments in enabling technology, the merchants have started their online journey. But because consumers are always evolving and embracing new technology, interacting with them has grown more difficult. The world of internet purchasing has undergone significant change, and it continues to evolve in a variety of ways today. The success of the new, developing retailing trend, online purchasing, is based on the relevance and significance of understanding consumer behavior. In this regard, understanding the mindset of online buyers would be crucial for taking advantage of online marketing opportunities and overcoming the obstacles posed by India's rapidly expanding online market. It is clear that improved understanding of online shoppers' purchasing patterns and intentions will enable online retailers to use innovative marketing techniques to satisfy the demands of ever-changing online buyers. Additionally, this study attempts to address the difficulties that internet customers face when completing purchases.

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