

Consumer Behavior in E-Commerce

Subin T. Sunil¹, Suraj Khadri², S. A. Tejas³

^{1,2,3}UG Student, Dept. of Industrial Engineering, Sir M. Visvesvaraya Institute of Technology, Bangalore, India

Abstract: The growing technology is changing the way in which people used to shop. Today in the hectic schedule, people do not have the time to go to the shops and purchase, so they prefer buying online. Due to the growing competition in the field of online business, there is a need to understand what are the needs and wants of the consumer. Since the Internet is a new medium for shopping, it is vital to understand the factors that influence the buying behavior of consumers. This paper examines the online buying behavior of the consumers in Pune. It analysis the various factors that affects the buying behavior of customers. The paper is also intended to find that whether the decision of buying products online is dependent on the gender. The paper also informs about the various buying behavior of the customers.

Keywords: Buying behavior, E-Commerce, Online shopping.

1. Introduction

Online shopping is the form of e-commerce which allows the consumers to purchase goods by the seller on the internet. Online shopping is growing, more and more people now prefer to purchase goods online. Online shopping has become the primary reason for people using the internet. The Internet is a highly competitive market and there are a lot of players who are willing to sell products online. If we know the factor that influences the buying behavior of the consumer, new marketing strategies can be developed which can be used to be ahead of the competitors. The factors are analyzed using principal component analysis, and chi square is used to test that whether the decision of making online purchase is dependent on gender or not.

2. Objectives

This research paper is to understand

- The factors affecting the consumer preference on e-commerce website.
- The buying behavior of consumer while making an online purchase.
- To identify whether gender has an effect on selection of payment mode.

A. Hypothesis

H0: Selection of Payment mode is independent of gender.

H1: Selection of payment mode is dependent on gender.

3. Research methodology

- Research methodology means the way in which we would complete the research.
- Data used for this research is both primary data and secondary data.
- To obtain the primary data from the consumers, a research instrument is used that is questionnaire.
- The set of questions used is attached in the annexure.
- Number of respondents: 372

4. Data analysis

1) Age Group

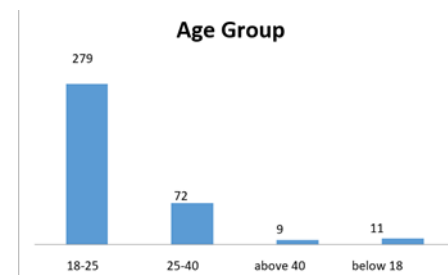


Fig. 1. Chart representing the Age group of the respondents

Interpretation: The data collected is from the 372 respondents. Out of which 75.2% belong to the age group 18-25, 19.4% belong to the age group 25-40, 3% are below 18 and rest all are above 40.

2) Gender:

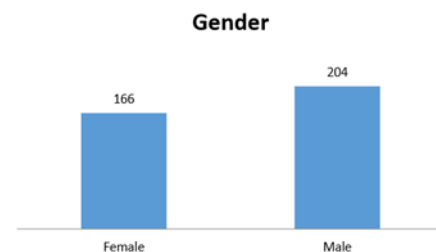


Fig. 2. Chart representing the gender of the respondents

Interpretation: Out of 372 respondents, 370 respondents responded to the question asking about their gender. The ratio of male is to female is 1.23:1

To analyze that whether the decision to buy product online is dependent on the gender or not, chi-square test is performed on the data collected.

Table 1
Cross Tabulation

			Do you shop online?		Total
			no	yes	
Gender 1	Count		10	193	203
	Expected Count		9.9	193.1	203.0
2	Count		8	157	165
	Expected Count		8.1	156.9	165.0
Total	Count		18	350	368
	Expected Count		18.0	350.0	368.0

Table 2
Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.001 ^a	1	.973		
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.001	1	.973		
Fisher's Exact Test				1.000	.585
N of Valid Cases	368				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.07.
 b. Computed only for a 2x2 table

Interpretation: As per the table 2, we observe that the significance value for the chi-square is $0.973 > 0.05$. Therefore, we accept null hypothesis i.e. the decision of buying products online is independent of gender.

5. Mode of Payment

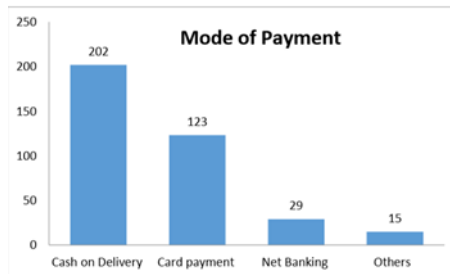


Fig. 3. Chart representing the preferred mode of payment by the respondents

Interpretation: 56.4% of the respondent prefer cash on delivery, 34.4% prefer card payment, 8.1% prefer net banking and rest others prefer other medium like Paytm, UPI etc.

6. The Effect of Rating and Reviews on Buying Decision

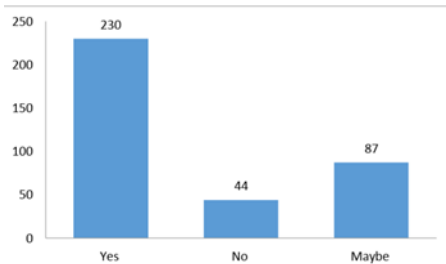


Fig. 4. Chart representing that whether reviews and rating affects buying decision

Interpretation: 361 respondents answered the question. Out of which 63.7% people said that reviews and rating do matter

while making purchase decision.

7. Preferred e-commerce website



Fig. 5. Chart representing the most preferred e-commerce website amongst the respondents

To analyze that whether there is a significant difference in the factors, the respondent was asked to rate the factors on a Likert scale, and Factor analysis is done to analyze the data obtained. The factors taken into account are

- High quality
- Authenticity
- Low price
- Convenience
- User interface
- Less Delivery times
- More Variety
- Mode of payment
- Easy exchange policy
- Offers and discount

Table 3
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.865
Bartlett's Test of Sphericity	Approx. Chi-Square	499.15
	Df	45
	Sig.	.000

Conclusion: As per table 3, KMO adequacy is .865 which is closer to 1 than 0. Also, the sig level is $.000 < .05$. Therefore, the sample size is adequate for conducting a factor analysis

Table 4
Rotated Component Matrix

	Component	
	1	2
high quality	.884	.184
[Authenticity]	.944	.050
[Low Price]	-.021	.877
[Easy Exchange policy]	.488	.643
[Offers and discounts]	.294	.761
[Convenience]	.622	.452
[Mode of Payment]	.692	.414
[User Interface]	.631	.471
[Less Delivery time]	.577	.609
[More Variety]	.398	.800

Conclusion: As per the table 4, we can come up with two components.

High Quality, Authenticity and mode of payment can be combined into one component named as Quality and Authenticity.

Low price, more variety and offers & discounts can be combined into one component named as Cost Efficiency.

8. Conclusion

- The factors can be reduced into 2 components namely a. Quality and authenticity b. Cost efficiency
- The decision of buying products online is independent of the gender.
- 56.4% People prefer to choose cash on delivery option for payment, therefore it is essential for e-commerce website to have an option of cash on delivery.
- 63.7% people get influenced by the reviews and ratings of

the products, so it is essential for sellers to have an amazing rating for its product to sell.

- Amazon is the most preferred e-commerce website followed by Myntra and then flipkart.

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