



A Review on Factors Affecting Online Purchase in 21st Century

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Abstract

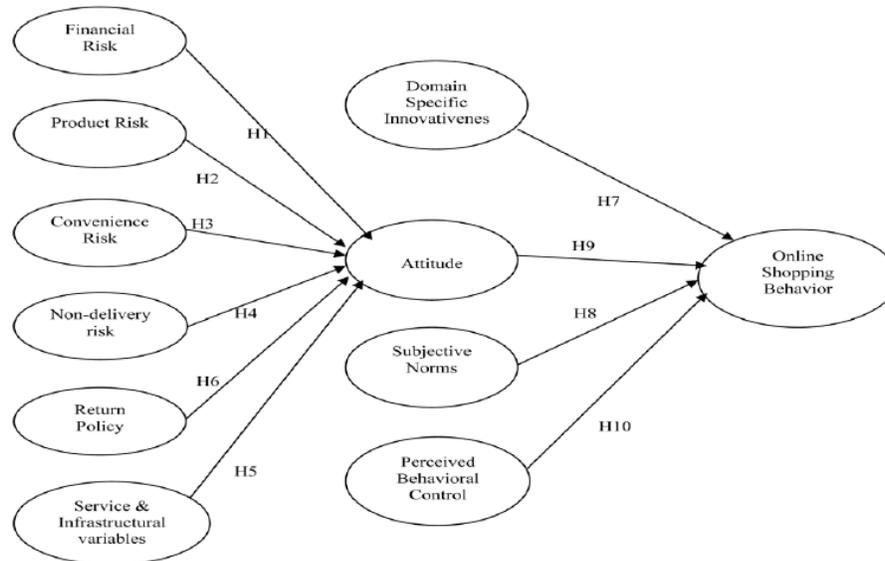
In 21st Century; Information Technology is at a rapid pace. Infact, Internet is an indispensable product in everybody's life. Every day the no. of Internet user is increasing the faster pace. Earlier IT was used for either data management or to provide certain required information to the ultimate user. But nowadays Scope of IT esp. of Internet is growing with much faster pace. There is a huge growth in the no. of internet user every year which is leading to e-commerce users per day/per week. The number of internet users worldwide reached to 2.92 billion, i.e. 40.4% of total population worldwide (Statistica, 2015). Online shopping in India will touch \$15 billion by 2016, with over 50 million new buyers emerging from tier1 and tier2 cities (Google, Forester, 2014). As a result online shopping sites industry is looking a boom and a continuous upward trend in number of players added every year in the industry. Amazon, Paytm, Flipkart, Snapdeal, First Cry, Jabong etc. are few of the major player in the industry. When talking to Online Buying it is not restricted just to the shopping sites, it also includes online transfer, Downloading apps/ software and content, live music and streaming of movies, e-ticketing etc. This not only making e-commerce industry more popular amongst the internet user but also challenging to the existing players to survive, sustain and maintain the growth day by day. In this paper, we have tried to go through various relevant literatures which helped us to find out the factors affecting online buying behavior. . In this paper, I have tried to incorporate some important researches conducted in the area of online buying which helps to understand the conceptual framework of consumers' behavior towards online shopping sites. These researches covering the various factors which influence the online buying, also helps to understand how the demographic variables, geographic locations and time frame affects the outcome of the study and lead to change in the trend of consumers' expectations.

Literature Review

(Al-maghrabi, 2012) In his study stated that "a model of e-shopping continuance intentions combining the revised technology acceptance model and expectation confirmation theory, measuring student gender differences with regard to continuance online shopping intentions in Saudi Arabia. The results of an online survey (n = 234, 61.5% women, 38.5% men) are used in a structural equation model that confirms fit. Perceived usefulness, enjoyment, and subjective norms are determinants of online shopping continuance in Saudi Arabia. The structural weights are largely equivalent, but the paths from subjective norms to enjoyment and subjective norms to continuance intention (men) and perceived usefulness to continuous intention (women) are not supported. The main contribution is to move beyond intentions to continuance. The model explains 71% of the intention to continue shopping online. The results suggest that online strategies cannot ignore gender differences on continuance intentions."

(Javadi, Dolatabadi, Nourbakhsh, Poursaedi, & Asadollahi, 2012) The researchers in the study took a survey amongst online store owners than the online shoppers to understand the perceived factors which affect online buying amongst the customer of Iran. For this, they analyzed the feedback of 200 online stores through a structured questionnaire. The whole

research was based on a self-developed model covering the aspects of early literature in the same area which was as follows –



Regression analysis was used to test the hypothesis. Results of hypotheses testing indicated that financial risk and non-delivery risk has negative effect on attitude toward online shopping behavior which means online sellers should ensure a high amount of security to the customer on the website also they need to take care of effective delivery system. It was also found that subjective norms have positive effect on shopping behavior. This means that popularity of sites depends upon user experience which is being shared there-off with others on a regular basis. This makes necessary the use of word of mouth marketing for retailers. Apart from this, Domain specific innovativeness has positive effect on online shopping behavior. This means that a customized model for a target customer has a positive impact on influencing buying behavior of the customers.

(Ying, 2006)in his study "Essay on modeling consumer behavior in online shopping environments" examined online purchase behavior across multiple shopping sessions. Specifically, he developed a joint model for the cart, order, and purchase quantity decisions. Empirical study 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.

(Khalifa & Limayem, 2003) in their research "Drivers of internet shopping" published in one of the journals mentioned that " they have applied well-established behavioral theories to explain Internet consumer behavior. Then, they conducted a longitudinal survey study to identify key factors influencing purchasing on the Web and to examine their relative importance. The results indicate that the intentions of Internet consumers are significantly affected by the perceived consequences of online shopping, the consumers' attitudes towards it, and social influence".

(Kim & Park, 2003)In their study took a survey of more than 600 customers specifically to the online book stores from various parts of Korea. Taking previous researches as a base they have tried to verify the relationship between various features of online shopping sites and the shoppers buying behavior. Result in a nut-shell defines that user interface quality, information



quality, and security perceptions affect information satisfaction and relational benefit that in turn, are positively related to each consumers' site commitment and actual purchase behavior.

(Levin, Weller, & Levin, 2005) In the research titled "A Multi-Attribute Analysis Of Preferences For Online And Offline Shopping: Differences Across Products, Consumers, And Shopping Stages" conducted a multi-part survey based on a multidimensional, multi attribution survey. The objective was to analyze how product characteristics measurement drive differences in online/offline shopping preferences between products, between consumers, and between stages of the shopping experience. Two groups of sample - a student a national survey panel - were asked to rate their likelihood of shopping online or offline for each of a series of products, both at the search stage and at the purchase stage. They were then asked to rate the importance of identified characteristics that might have differential importance for products like clothing and books, and to rate the extent to which they thought each attribute was delivered better online or offline. For both samples, differences in importance weights assigned to attributes that favor online shopping and attributes that favor offline shopping were key predictors of observed differences in shopping mode preference across products and across consumers. On a broader aspect, they have concluded that - When attributes such as large selection and shopping quickly are predominant, online shopping is preferred. When attributes such as personal service and ability to see-touch-handle the product are predominant, offline shopping is preferred.

(Nusier, Arora, Al - Masri, & Gharaibeh, 2010) In this paper significant numbers of online shoppers were survey from different parts with different demographic characteristics in Jordan. In total five factors were identified influencing buying behavior. It was found that promotion ($r = 0.344$) and security ($r = 0.316$) are the most influential factors on consumer buying and selection through digital platform while price($r=0.028$) has a lesser impact. The Infrastructure for internet($r = 0.175$) and product and service characteristics ($r = 0.264$) were moderately related to the consumer 'decision process. Two major things were identified out of the research – First, Lack of high quality E-promotion will lead to resistance amongst the consumer to purchase though internet and will demotivate a consumer to follow the purchase decision process. Secondly, Pricing has not reached to the perceived value of consumer and creates hurdles in the consumer purchase decision through internet. That means, online retailers need to focus more on effective promotion rather than competitive price. The reason may be that price margin is very less on most of the product available on different website and so hence have lesser effect. This study has deeper impact as it rejects a common phenomenon of price sensitivity amongst the online shoppers which was mentioned in earlier researches.

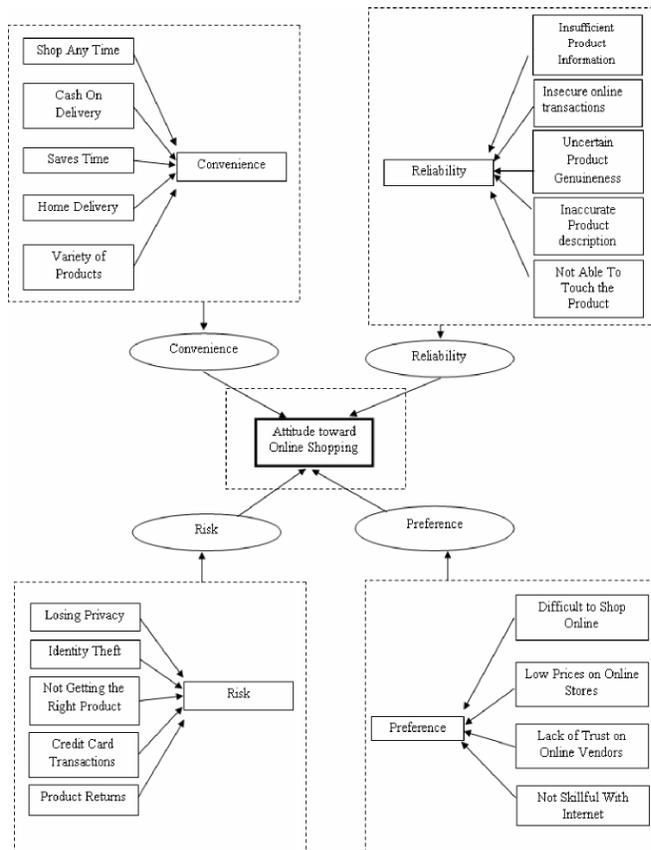
(Swinyard & Smith, June 2003) They have focused their study on why people may go for online shopping. Interestingly they have limited the scope to understand the impact of life style on online buying behavior. In their research they have not only measure the impact but also developed a scale to measure the impact of three dimensions of perceived risk i.e. Financial Risk, Product Risk and Convenience Risk. They further compared those who did and did not make purchases online during the preceding holiday shopping season. They found that online shoppers were: younger, wealthier, better educated, more computer literate and more likely to spend time on the computer, more likely to find online shopping to be easy and entertaining, and less fearful about financial loss resulting from online transactions.

(Malhotra & Singh, 2013) This study focused on the young generation customers as it has been found that this generation is mostly tech savvy and uses internet on a larger scale. For sampling 200 young internet users were identified in the north India region. With a high amount of reliability (.993) 42 items were reduced to 4 major factors driving the youths towards online shopping i.e. Perceived Risk, Perceived benefits, Perceived trust and Perceived ease of use. It was concluded that still the trust on shopping website is playing a significant role in influencing

the choice of young customers. They have major concerns like safety of payment gateways, secured transactions, conformation of payments and data encryption. If this will not be ensured with full confidence, online shopping will be affected severely in future endeavor.

(Mehta & Kumar, 2012) Similar to the study conducted by (Malhotra & Singh, 2013) this study was also focused on northern part of India vis. Jammu, Chandigarh and Delhi. Total 150 respondents with different demographic profile were surveyed with a self-developed questionnaire. Factor analysis was conducted to identify the significant factors affecting the buying behavior amongst the sample. The researcher has drawn a dual approach while applying factor analysis, one on the data of sample who are online buyers and other on the data retrieved from non-buyers. Similar to other studies, Reliability was found to be most important factor affecting the buying decision of online buyers, further followed by transaction security and perceived price. The least effective factor seems to be convenience and perceived ease of use amongst the buyers. In case of non-buyers Transaction Security was found as the most relevant factor followed by reliability and perceived price. Similar to the case of buyers, in case of non-buyers convenience and perceived ease of use were seems to be least important factor. Further with the help of Anova, the significant difference in buying behavior amongst various demographic profile were studies which result in the fact that the young intellectual people with generous income shows a favorable behavior towards e-commerce.

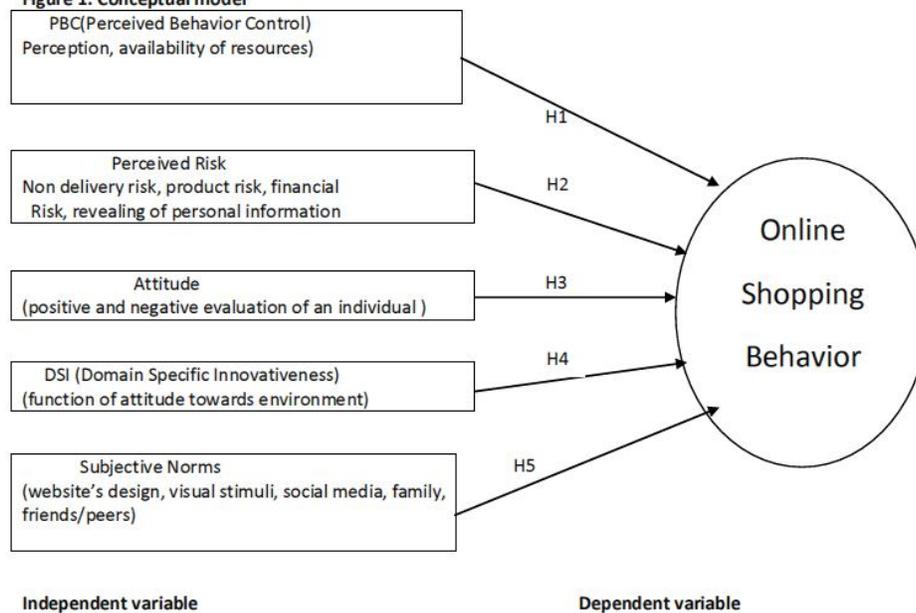
(Raman, 2014) This study was unique in itself as the sample was restricted to the women online buyers. The study was based on the following model



In this research, it was found that four major factors played significant role in decision making i.e. Risk, Convenience, Reliability and Preference. Unlike most of the researches where Risk

was the most important factor and convenience at least, here it was found that convenience to use is the most significant factors which affects buying decision process of women in India. (Lima, Osmanb, Salahuddinc, Romled, & Abdullah, 2016) University students aged between 18 and 34 that currently pursuing their studies in University Malaysia Perlis were selected as the subject of analysis. 662 students were enquired with the help of structured questionnaire which was then analyzed using SPSS, AMOS and Structural Equation Modeling. The outcome of the study describes that the subjective norm and perceived usefulness shows positive behavior in influencing online purchase intention but subjective norm contributes negatively in influencing shopping behavior. It is interesting to find that perceived usefulness also insignificantly influence online shopping behavior. Finding also revealed that purchase intention significant positively influence online shopping behavior.

Figure 1. Conceptual model



(khan & Chavan, 2015) They have developed a model initially to identify the major relevant factors affecting the online buying behavior on the basis of available relevant literature in the same field.

Total 100 respondents were selected from Mumbai city with certain eligibility criteria such as having relevant experience of online shopping, must have purchased more than one category of product and at least once they have purchased any electronic good. With the help of Chi-Square and T-test the effect of various pre-determined factors were analyzed and as a result it was found that financial risk and non-delivery risk has negative effect on attitude toward online shopping behavior i.e. secured website is the first choice of any customer. Apart from this they still believe delivery need to be assured and taken care-off once ordered. Also, subjective norms have positive effect on shopping behavior. This means the more people suggest e-buying to each other, the more this buying method will be popular among people. Domain specific innovativeness has positive effect on online shopping behavior. This means that marketing specialists should target the society in their marketing strategy formulation for better effectiveness of their implemented marketing program.

Conclusion

With the help of above study, we can draw that there are various factors which affects the consumers' behavior towards online buying alternatives. There are few common factors which



are affecting all types of online buyers despite of their different demographic profile and there are certain specific factors which are affecting a specific segment of buyers. Also there is an unequal proportionate of importance of factors identified in the various research, it may be due to the fact that different researches are conducted in different conditions, with different samples having different socio-economic profile and also in different eras. The growth and development in the IT sector with pace of time has changed the level of awareness amongst the users as well as the business players. The increase in choices led to change in the perceived importance toward various factors. The role of perceived object (i.e. Website and available product) online played an equal importance in affecting behavior of the internet users likewise the personal demographic factors of online buyers. These studies seems to be important for all the players in the industry to determine an effective strategy for grabbing more and more customers in the competitive scenario. It can be observed that many relevant changes are adopted and introduced by various online shopping sites in last couple of years on the basis of research conducted in past few years. Definitely these researches will be strong base for further researches in upcoming future.

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