International Journal of Management & Economics (IJME)
ISSN: 2231-4687
Vol.-13, Issue-1, January 2024

FACTORS INFLUENCING ONLINE SHOPPING BEHAVIOR: THE MEDIATING ROLE OF PURCHASE INTENTION

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1. Introduction

Since its transition into a global interconnection network for sharing and delivering information, internet hasemerged as a useful marketing tool to serve as a platforms for domestic and international transaction. According to**A.T. Kearney (2015)**[1]**,** retail e-commerce has grown nearly to US$840 billions in 2014 surpassing the sales ofUS$695 billions in year 2013 and it was estimated to increase to US$1506 billions in 2018. The continuous salesincrement indicated that e-commerce has enormous market potential. The operation and success of powerhousessuch as Alibaba, Tenecent, Amazon and Groupon etc have set as an example for corporates to shift the model of theirbusiness from brick-and-mortar to brick-and-click. Regardless of the flourishing e-commerce on a global scale,Malaysia had dropped out from the 30th position in Top 30th Global Retail E-Commerce ranking in 2015 **(A.T.Kearney, 2013)**[2]**.**

Huge investment to grasp virtual consumers has induced the online sellers to go no further towards theunderstanding of consumer behavior. Although both government and private sectors have put in much effort toprosper the virtual shopping platform, traditional store remains as the instinctive choice for majority of consumers.**(Ramayah & Ignatius, 2005)**[3]**.** A related study by IPSOS Open Thinking Exchange (2012) found that 56 percent ofthe respondents from 24 countries prefer to shop in a traditional store rather than an online store **(Marketing Charts,2012)**[4]**.**Even in developed countries such as United States, out of 63 percent of the consumers would make a surveyon the internet before proceed to purchase traditional consumer electronics online, but only half of the consumerswill truly purchase online **(NPD Group, 2011)**[5]**.**

The internet is being developed rapidly since last two decades, and with relevantdigital economy that is driven by information technology also being developedworldwide. After a long term development of internet, which rapidly increased webusers and highly speed internet connection, and some new technology also have beendeveloped and used for web developing, those lead to firms can promote and enhanceimages of product and services through web site. Therefore, detailed productinformation and improved service attracts more and more people changed theirconsumer behavior from the traditional mode to more rely on the internet shopping. Onthe other hand, more companies have realized that the consumer behaviortransformation is unavoidable trend, and thus change their marketing strategy. As the recent researches have indicated that, the internet shopping particularly in business toconsumer (B2C) has risen and online shopping become more popular too many people.There are many reasons for such a rapid developing of internet shopping, whichmainly due to the benefits that internet provides. First of all, the internet offersdifferent kind of convenience to consumers. Obviously, consumers do not need go out looking for product information as the internet can help them to search from onlinesites, and it also helps evaluate between each sites to get the cheapest price forpurchase. Furthermore, the internet can enhance consumer use product more efficientlyand effectively than other channels to satisfy their needs. Through the different searchengines, consumers save time to access to the consumption related information, and which information with mixture of images, sound, and very detailed text description tohelp consumer learning and choosing the most suitable product **(Moon, 2004)**[6]**.**However, internet shopping has potential risks for the customers, such as paymentsafety, and after service. Due to the internet technology developed, internet paymentrecently becomes prevalent way for purchasing goods from the internet. Internetpayment increase consumptive efficiency, at the same time, as its virtual propertyreduced internet security.

Even the internet shopping has been rapidly developed, especially in consumer goodsindustry, but there still have a big difference between traditional and online consumershopping. Referred to sales in the Indian consumer goods industry, the online salesoccupied at a very low percentage rate. That could be caused by many reasons, but themost importance is the advantages exist in both traditional shops and online market;both of them have specific characteristics. For example, the traditional seller canprovide convenience in parking and shopping, it allows customers come to read andcheck the quality of goods before they purchase, and the after service is more directlyto customers. However, the traditional store has limited number of goods, and theselling cost is higher than online store. By comparison, we can find out the limitationsof traditional store are more likely as the advantages of online store, in contrast, the weakness of online store is also seems as the advantages of traditional store. It is clearfrom the overview of internet and internet shopping development that e-commerce isbeing used in many corporations due to the dramatic development of technology andcompetitive advantages of web selling. Moreover, the expansions of the usage byindividuals also become main contributors to the development of internet shopping.Relatively few studies have investigated in the internet shopping and impact onconsumer behavior. The previous studies are more focus on the marker's point of view,such as how to establish a more efficient marketing channel online rather than thetraditional offline channel. Therefore, this research will combines with previous studiesfrom literature reviews, and focus on the impact of the internet shopping on consumerbehaviors to find out a comprehensive analytical framework which showing theessential ingredient of marketing and business to satisfying the consumer's needs, and a deeply understanding of online consumer behavior as a reference for any ecommercecompany to make marketing strategies.

Impact of Internet on Consumer Behavior

The influences on consumer behavior are often made between external and internalfactors. External factors are come from the environmental conditions, and internalfactors are usually from the consumer's mind. There are many factors could influenceconsumer's behaviors. According to Warner, the external influences could divide intofive sectors: Demographics, socio-economics, technology and public policy; culture;sub-culture; reference groups; and marketing. The internal influences are variety ofpsychological processes, which include attitudes, learning, perception, motivation, selfimage, and semiotics (Malcolm). In addition to these, **Sheth (1983)**[7] also suggested thatthe consumers have two types of motives while shopping, which are functional andnon-functional. The functional motives are mostly about the time, shopping place andconsumer's needs, which could be like one-stop shopping to save time, theenvironmental of shopping place such as free parking place, lower cost of products and available to choose from widely range of products. The non-functional motives aremore related with culture or social values, such as the brand name of the store.The traditional shopping is simply about the customer to purchase their needs. Thisbehavior will be influenced by the seller's advertising and promotion which attractscustomers goes there and purchase goods, afterwards a part of new products will betaken home and be used.

2. Objectives

1. To find out how frequently the respondents access the internet for online shopping.
2. To find out the impact of online shopping on consumer behavior.
3. To compare the consumer behavior related to online shopping based on gender.

3. Research Methodology

Study population-The students of Graduation College were selected randomly from the available students on the interview day.

Selection of Sample Size - The sample size for the study was 210 respondents from among online consumers.

Sampling Technique-The random sampling technique was adopted in the study.

Structure of questionnaire-The questionnaire was taken from previous literature on Internet shopping and itsimpact on consumer behavior **(Zheng 2006)**[8]**.**

Statistical analysis-The data obtained from the questionnaire was analyzed byusing percentages, frequency, analysis of variance and Chi Square Test.

4.Results and Discussion:

Table 1: Frequency of accessing the internet by

respondents to support work

Frequency of using Internet	*Male*		*Female*	
	Frequency	*Percentage (%)*	*Frequency*	*Percentage (%)*
At least Daily	152	69	76	76
At least Weekly	28	25	96	16
At least Monthly	6	6	8	8

The above table shows that majority of the respondents i.e.around 69 percent male and 76 percent female respondentsreported that they used the internet to support their workon a daily basis. **Monami and Banerjee (2012)**[9]also foundin their study that the consumers use internet every day,and spent around 1-2 hours per internet session.

Table 2: Distribution of respondents according to types of purchases made from online market.

Particulars	**Details**	*Male*		*Female*	
		Frequency	*Percentage (%)*	*Frequency*	*Percentage (%)*
Goods purchase from online.	Books*	72	65.4	56	56
	CD/video *	34	31	8	8
	Software *	46	42	22	22
	Toys & gift*	40	36	34	34
	Tickets /Hotel/Travel bookings*	72	65.4	60	60
	Consumer electronics*	58	53	26	26
	Apparels & accessories*	64	58	82	82
	House ware *	18	16.3	6	6

* multi responses

From the above table no.2, from the wide variety of goodsand services on offer on the internet, the survey shows thatApparel/ Accessories formed the major chunk of onlinepurchases for female respondents as 82 per cent of thefemale respondents reported making online purchases ofthis item. In the case of male respondents, books emergedas the first choice for online purchases as around 65percent of the male respondents reported making onlinepurchases of this item. Tickets/ Hotels/Travel bookingsemerged second in the preferences of both the male (65.4percent) and female (60 percent) respondents.

Table 3: Distribution of respondents according to mode of payments used when shopping online

Particulars	**Details**	*Male*		*Female*	
		Frequency	*Percentage (%)*	*Frequency*	*Percentage (%)*
Mode of payment when shopping online	Credit card	14	13	12	12
	Third party	6	6	2	2
	Net Banking	6	5	4	4
	Personal Cheque	4	4	0	0
	Cash on delivery	80	73	82	82

from the table no.3 that 73 percent of male and 82 percent of female respondents preferred to pay on delivery by cash.**Upadhyay and Kaur (2007)**[10]also found in their study thatPayment on delivery through cash is the safest choice ofpayment.

Conclusion:

Based on finding it is concluded that the participantsaccessed the internet to support their work but accessed the internet for online shopping occasionally.The participants prefer online shopping tophysical shopping due to benefit such as saves time,comfortable/ relaxed shopping, detailed productinformation and facility of easy price comparisonimpacting consumer behavior towards online shopping.

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