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A Study on Consumer Buying behaviour in India

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ABSTRACT

The way Indian customers spend their money on various things has shifted in recent years. As the internet and social media have become more widely available, Indian consumers' shopping habits have shifted considerably. In India, urbanisation is a continuing development that influences consumer lifestyle and purchasing behaviour. The study is based on customer perceptions, purchasing behaviour, and satisfaction in the Indian market. India ranks eighth in the world in terms of e-commerce, with a total value of USD 67.53 billion. The sector is predicted to grow from \$46.2 billion in 2020 to \$111.4 billion in 2025. The COVID epidemic has boosted online purchasing tendencies, with online shopping behemoths such as Amazon, Flipkart, and Myntra reaping considerable revenues. demographic characteristics have a substantial influence on purchasing habits, with the shutdown affecting sales. Customers' purchasing behaviour entails defining their requirements, gathering information, weighing options, and making a purchase choice. Marketers affect these decisions by identifying problems, searching for information, evaluating alternatives, making a purchasing decision, making a purchase, and evaluating the product after it has been purchased. It creates a conceptual framework to better understand Indian internet customer purchasing behaviour.

<u>Keywords:</u> online shopping, consumer buying behaviour factors and e-commerce, COVID-19, marketing strategy, purchase decision, customer strategy online, shopping intentions.

Introduction

Because of modern urban life and improved consumer knowledge, the Indian consumer market has more disposable money. The rising product and service availability, as well as the ease with which credit is available, have resulted in new consumer categories and increased expenditure on discretionary products. With India's e-commerce business still in its infancy, the internet has become a critical medium for communication, research, entertainment, and online shopping. In the next two to three years, the Indian internet shopping sector is predicted to develop, with an average of four to five transactions per month. Research is recommended to better understand the elements influencing Indian customers' purchasing behaviour. Online shopping is becoming increasingly popular in India, providing consumers with the convenience and flexibility to make orders and compare items from multiple places. Organizations are now focusing on understanding customer behaviour, which includes psychological processes for detecting needs, addressing them, and making purchasing decisions, as well as identifying variables that influence these decisions.

Literature review

Over the last three decades, the adoption of internet shopping in India has substantially altered the traditional retail paradigm. Consumers benefit from the internet's ease and appeal, such as the ability to browse and purchase things at any time, visualise demands, compare brands, discuss products, and pay for delivery. E-commerce has made an important contribution to the information revolution, and in order to influence and keep customers, it is critical to discover influencing elements while shopping online. Previous studies have revealed that customer demographics such as age, gender, and geography have a substantial impact on online purchase intentions. According to research conducted in rural India, rural customers prioritise product quality, with rising income levels resulting in increased consumption and purchasing power. Marketers' promotional activities play a significant role in acquiring long-lasting items. The study of the processes involved in selecting, acquiring, utilising, or disposing of items and services to meet wants and preferences is known as consumer behaviour. Consumer research has developed over time, with the most often used disciplines being psychology, social psychology, and sociology. Howard and Sheth (1969) established a consumer behaviour model that incorporates social, psychological, and marketing impacts on customer decisions. Consumer decision-making varies according to the consumer's attitude toward available brands as well as their knowledge and

familiarity with the product class. The study of consumer behaviour includes the usage and disposal of items as well as the examination of how they are purchased. Because of the ease and range of items offered, online shopping has grown in popularity. However, it has encountered difficulties such as insufficient selection, online delivery fees, and a lack of control over perishable item selection. Despite these obstacles, e-commerce has grown in popularity, gaining customers and businesses. Demographics, educational credentials, frequency of online transactions, and manner of payment can all have an impact on online buying knowledge levels. According to research, customers prefer to purchase items such as clothing, gadgets, and books online. Males buy more than females, but they still prefer offline purchasing because of the product's trust, feel, and touch. Younger generations, particularly females, are more involved in internet shopping. Customers are influenced by product qualities such as sizes, different colour options, the most recent designs, safe payment methods, shipping, and refunds. Finally, because of its ease and large selection of items and services, internet shopping has grown in popularity. When purchasing online, however, it is critical to consider issues such as pricing, shipping, and platform preferences.

Objectives of the study

- > To detect the different customer categories and communicate accordingly.
- > To discover the aspects that determine their purchase habit.
- > Understand customer purchasing behaviour and the decision-making process.
- > To know what techniques the marketer may employ to impact customer purchase behaviour.
- > To determine the primary competitor qualities towards the items. to forecast customer purchase behaviour on web sites, giving to a better grasp of their market position in the current context.

Consumer buying behaviour

Consumer buying behaviour cannot be separated from the marketing environment. Consumers play three important roles in their buying situation, viz., buyer, user, and payer. It is the process of detailing how consumers engage while buying different goods and services in online and offline markets. In online shopping, it is very difficult to understand and predict consumer buying behaviour and their purchase decisions. From a detailed review of the literature, the behaviour of consumers can be analysed within a proper conceptual framework. Six factors have been identified as influencing consumer buying behavior. Consumer behaviour and its challenges towards online shopping play an important role in the e-commerce environment. Consumers' needs, wants, perceptions, and decision-making styles are difficult to understand for online store owners. Consumer perceptions may change according to their emotional beliefs. So, understanding buying behaviour is necessary for long-term business organisations.

Effect on income due to pandemic

The world has survived different pandemic attacks, including SARS and H1N1, yet COVID-19 is the scariest of the lot since no vaccine has been found even after 9–10 months since its occurrence in China. This can have an impact on household budgets, socio-economic conditions, the preferences and priorities of consumers, price levels, and consumer behaviour. Out of which, price levels and family expenditure direct consumer behaviour. The budgets had initially expanded, fearing a lack of stock availability and a price hike. Credit card usage was highest in the retail sector, contributing to increased sales but a gradual decrease in spending was identified, which may be because of job loss during the pandemic, health issues, or a change in consumption patterns.

Shift towards online purchase

The brick-and-mortar shops, once a haven for shoppers, are now a war zone between people and the virus. They are using e-commerce to purchase products that they would usually find in a store. Due to the compulsion to change, consumers are progressively moving towards online shopping, and there has been a 10% growth in the customer base during the pandemic. Many researchers have studied the effect of the pandemic only on the economy and panic buying based on casual observations or limited data. However, little concentration was placed on analysing the effect of the pandemic on the shopping behaviour of people and how a panic situation like lockdown converts into a normal lifestyle. With this study, policymakers will be able to design a plan for lockdowns and help mitigate panic buying behaviours in the event of future pandemics.

Factors affecting online shopping consumer buying behavior

Website comparison

Customers who purchase things online have no restrictions. They evaluate the items offered for purchase with other websites based on pricing, reviews, news, and services, among other factors. Comparing product prices when purchasing online benefits, the consumer. Aside from price comparison, it helps customers to identify the greatest bargains on websites. customers to purchase online by comparing website products or services, pricing, promotions, and so on.

Website advertisement

All marketers rely on their ability to create successful commercials. Many online businesses fail to attract online customers owing to a lack of web advertising, which is critical in the marketing system. It was shown that commercials had a considerable influence on customers' online purchases.

Website quality

The extensive literature analysis investigates the link between website quality and customer purchasing behaviour in online commerce. It was argued that greater website quality gives suitable guidance for customers to make efficient purchases, as well as contributing to repeat visits to the website.

Website awareness

Online site knowledge is very important in buying. It was discovered that the link between awareness and relational advantage is dependent on external factors such as word-of-mouth, discussing websites with society, and so on. Awareness reduces risk in online purchases while also assisting in the gathering of additional information about items or services.

Website experience

The web experience assists in analysing the influence of internet users on online buying and asserts that customers' web experiences may differ between new and returning visitors. Internet shopping intents of consumers have a direct influence on their purchasing experience.

Website Information

The influence of social media on information on websites for online shopping is fairly low. Availability or product information such as price, quality, and so on facilitates online buying. However, customers cannot touch or feel the items and services on the internet site.

Conclusion

Consumer behaviour in India is complex and diverse, with different personalities and segments based on class, status, and income. The rural market and eco-friendly products are important for the country's rural population, which contributes one-third of national income. Creating value and delivering customer delight is crucial, especially in the digital age, where staying updated with social media trends is essential. Online shopping's growth in India is not aligned with the global market, with e-commerce accounting for less than 1% of the retail market in 2020. This is due to customers' reluctance to adopt high-tech purchasing, security concerns, and technological complexity. The study suggests that younger generations, higher-income groups, and educated individuals are more likely to shop online, but marketers must understand customer intentions and focus on building trust-worthy relationships between producers and customers. Today, online markets are highly competitive. Besides, consumers' expectations and perceptions are also increasing. From the detailed literature review, six factors have been identified in this study: website comparison, website advertisement, website quality, website awareness, website experience, and website information. All six factors have a significant relationship with each other. So, the online store owners must be aware of these factors when introducing any ideas or products on their sites, and it will help to retain existing customers and create new ones.

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