

Consumer Buying Behaviour and Online Shopping: A Perspective of Barak Valley, Assam, India

Mr. Bikramjit Choudhury

Assistant Professor
Department of Commerce,
Karimganj College,
Karimganj, Assam, India.

Mr. Partha Pratim Dey

Assistant Professor
Department of Commerce
Karimganj College,
Karimganj, Assam, India.

Abstract

The recent trend shows that people are more interested in online shopping than traditional forms of shopping. The growing number of e-commerce websites, their attractive offers and variety of goods has fascinated the consumers to shift from traditional retail to online shopping. However, this shift is not a pleasing experience for all. Malpractices of the e-retailers and the security issues has affected many and held back many more from participating in this mode of shopping. Unaware of the serious security issues a large number of people are making online purchases and struck themselves by the shackles identity theft and monetary loss. This paper tries to evaluate the consumers' behavior towards online shopping i.e. why do they purchase online? The items they prefer to buy online, and their risk perception. For this purpose primary data have been collected and analyzed. Towards the end some suggestions have been put forward for enabling the online shoppers to make secure purchases.

Keywords

Consumer Behavior, E-commerce, Online Shopping, Risk, Secure Purchases.

1. Introduction

The development of new technological innovations, such as the Internet, has brought about changes in the market. The internet provides a global network for binding people and business together and offers a worldwide market arena. The internet is used as a means by a large number business houses to reach to more and more people anywhere any time. Online shopping is the mechanism with the help of which one can directly purchase products via internet connectivity in real time. The buying and selling can be done in electronic means without any delay with some

finger tips. However, seldom it happens that a middle man may play his role (e.g., 'e-bay', OLX, etc.) to affect the buying and selling. A huge chunk of electronic commerce transactions is done completely in digital form, e.g., subscribing virtual premium items like online games, purchasing software, etc. But a substantial portion of e-commerce transactions necessitate the physical transfer of possession of goods. Now, 'e-retailers' and e-tail' are the terms which can be alternatively used for 'Online Retailer' and 'Online Retail', respectively. World Wide Web makes it possible for almost all the reputed giant firms to avail the online market-place as their selling outlet. Moreover, it also allows the small entrepreneurs to avail a platform having no barrier to reach both domestic and global customers and also to build goodwill in the market. The online selling outlets like E-bay, Amazon, etc. relieves the small entrepreneurs from marketing and payment service aspects and allow them to focus on their core functions, e.g. managing supplier relationships. Thus, it is boon for both the seller and the buyer as for sellers it provides global reach and for buyers it offers convenient one place to shop all items which they can access at their ease. However, online shopping is not always a joyful experience for all. So, this paper tries to analyze the buying behavior, risk perception and other related aspects of online shopping and also tried to identify the ways that can help consumers shop securely over the internet.

2. Literature Review

1. **L Jayakumar & Kumar, (2013)** focused on evaluating online shoppers' attitude in Chennai city of Tamil Nadu. The data obtained from 100 respondents through random sampling. A questionnaire survey method was used to measure the attitude of internet shopping. The study shows that online shoppers' attitude was positively and significantly related to age, gender and monthly income. However, it was negatively related to educational qualification, size of family and the nature of family. Hence, the results proved that consumers' behaviour significantly differs while shopping online.
2. **Reddy & Srinivas, (2015)** conducted a study on 598 respondents covering the range of age, groups of 20 - 30 years, 30 - 40 years and 40-50 years. The research concentrated on demographic factors on online buying behaviour of consumers. The data were collected through a questionnaire from 6 major Indian cities, namely New

Delhi, Hyderabad, Mumbai, Chennai, Bangalore and Kolkata. The results showed that females from age group of 20 - 30 years bought more frequently than males. This indicated that females shopped 3 - 4 times in a month as compared to males who shopped only once a month on the internet. The results further showed that age, marital status, income and education did not impact online shopping much in India. However, family size significantly affected online shopping behaviour of consumers.

3. **Nazir et al., (2012)** reported privacy and security as the major factors that influenced the online shopping behaviour of consumers. It was also found that the consumers hesitated while shopping online as they were having the fear of security threats when they pay for the products. The consumers hesitated and were worried about their personal information concerned with full name, delivery address and date of birth and financial information such as account details while buying online. Hence, trust and confidence were two significant factors affecting the consumer behaviour while shopping online.
4. **The Kim & Damhorst, 2010** studies is to check the effect on quality of service offered by the websites on attributes like perceived apparel quality, perceived service quality, consumer value perception of apparel shopping and future purchase intention. Data was gathered from 361 female students from colleges of two different regions in the United States using the convenience sampling technique. 97% of the respondents fell in the age range of 18 - 23 years. Structural equation modelling technique was used which revealed a positive relationship between the above mentioned attributes. The conclusion drawn from the study is that high quality apparels should also be offered by online retailers along with good customer service in order to achieve better satisfaction levels while shopping online and positive behavioural intent.
5. **Dahiya (2012)** understood the influence demographic factors have on online buying habits in five cities. By using the snowball and judgemental sampling technique, a sample size consisted of 598 respondents covering 331 males and 249 females were collected from different cities viz., Delhi, Mumbai, Chennai, Hyderabad and Bangalore. ANOVA was used to analyze the data. The results showed that age does not influence online shopping in India. Also, females buy more frequently than males and marital status and

income does not influence online shopping but family size significantly affects the online shopping behaviour of consumers.

6. **Kumar & Sobha, (2016)** analysed the relationship between various demographic variables and attitudes of online buyers. The data were gathered through a self-structured questionnaire. Two hundred and fifty respondents were approached for gathering data from Palakkad district in Kerala using the convenience sampling method. It was revealed that 61% of the consumers had a positive attitude and 39% showed a negative attitude while buying online. Respondents also reported that online shopping saved time; they could shop at any time of the day; online shopping was not risky; it gave accurate description of products and online shopping was equally secured as offline shopping. Results obtained found no significant relationship between the attitude of online shoppers with their gender, age, area of residence, educational qualification and monthly income.

3. Research Gap

The literatures reveal that researches were conducted to highlight the attitude of online shoppers, factors affecting online buyer behavior, etc. However, there is scope of research work in the area of finding out a most preferred product bought online. A need to compare the online buying behaviour of males and females was also felt since the investigators could not find any literature related to it. Moreover, the researchers could not find literature on the most preferred mode of payment in online shopping. Lastly, the literatures reviewed also unable to spell out the ways of modifying online buying behavior.

4. Objectives of the Study

The study is undertaken to achieve the following objectives:

1. To analyze buying behavior of internet shoppers.
2. To know why customers prefer internet shopping.
3. To analyze the risk perception of online shoppers.
4. To suggest some safety measures against online shopping threats.

5. Research Methodology

For the present study, data has been collected using a questionnaire which enabled us to get a clear picture of consumers' opinions in different matters. Many studies look at consumer trust towards a specific internet vendor and its website, but this study looks at consumer behaviour in e-

commerce in general. The questionnaire was sent to as 300 people in the three districts of Barak Valley of Assam, i.e., Karimganj, Cachar and Hailakhandi, however, only 200 respondents of both male and female have responded and by using the Convenient sampling method, the data obtained from all of them were incorporated in the study. Moreover, respondents of all age groups were considered for the study. To arrive at a concluding analysis of the data has been done in a tabular form and percentages have been calculated taking certain parameters suitable for the study under 5 point Likert Scale.

6. Data Source

1. Primary Data: Primary data were collected through a questionnaire. The purpose of the questionnaire was to gather information about how consumer recognizes the importance of different factors in online shopping.
2. Secondary Data: Different secondary sources such as books, articles, published articles and the Internet has been used.

7. Limitations

The study suffers from the following limitations:

1. In this study only B2B e-commerce model is chosen.
2. Due to paucity of time and finance, we had to conduct the survey in a limited geographical area with a small sample size.

8. History of Online Shopping

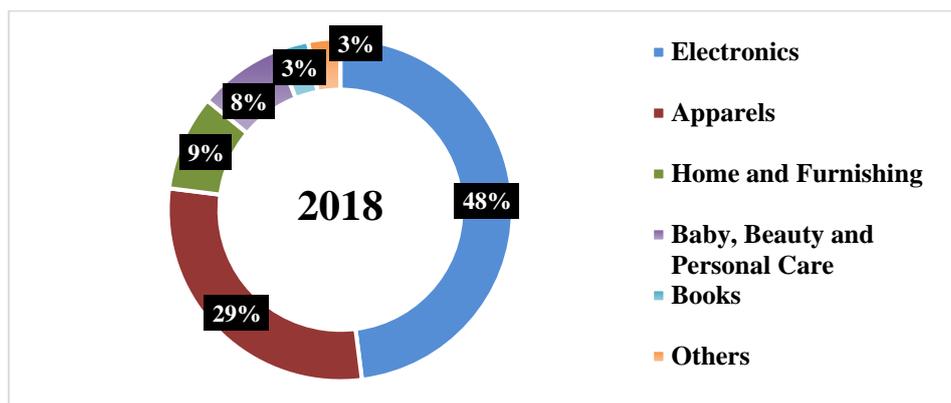
Basically, e-commerce and online shopping were regarded as a platform that facilitates commercial transaction by making the use of Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both introduced in the late 1970s, which facilitates transmission of documents like buying orders and invoices. Moreover, from 1980s the online shopping and e-commerce extended its scope to cover credit cards, ATMs, e-banking services also. Sabre in the USA and Travicom in the UK came up with airline reservation system to further extend the scope of e-commerce. Enterprise Resource Planning (ERP) systems, data mining and data warehousing were also evolved in the arena of online shopping and e-commerce during 1990s.

The World Wide Web and internet were invented as the largest means of global communication system by Tim Berners-Lee in 1990. Till 1995 NSF prohibited the presence of commercial enterprises on the internet.

However, through the World Wide Web many European and American and European business enterprises initiated their services online by the end of 2000. And since then a new era has begun where shopping has to do online and people began to associate it with the term "e-commerce".

9. Online Shopping in India

With regard to fastest growing e-commerce sector, Indian market outshines all other markets. The trend shows that the Indian e-commerce sector, which is increasing at the world's highest growth rate of 51% will generate a sales turnover of US \$ 120 billion from US \$ 39 billion which was in 2017. Increasing internet and smart phone access are regarded as the fueling force behind that miracle. 'Internet access in India rose to 34.42% in 2017 from mere 4% in 2007, securing a CAGR of 24% during that tenure. Moreover, the trend shows that the number of internet users in India is expected to increase to 829 million by 2021 from 560.01 million as of September 2018. With respect rural India the internet access is expected to grow from the current rate of 18% to more than 45% percent by 2021. All this will give a tremendous push to the e-commerce industry in India. The compositions of products that are bought online in the year 2018 are shown in the graph below:



(Source: www.ibef.org)

Figure 1: The Compositions of Products that are Bought

10. Meaning of Consumer Buying Behaviour & Online Buying Behaviour

Consumer buying behaviour is the blend of a number of behavioral

factors like attitudes, preferences, beliefs and decisions regarding the consumer behavior at his or her buying role.

According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.

Online buying behaviour covers a number of activities connected with searching, selecting and purchasing the wants satisfying products by the consumers while browsing websites of 'e-retailers'.

11. Factors Affecting Online Consumer Behaviour

The determinants/ factors affecting online consumer behaviour includes the following:

- 1. The External Factors:** These factors include the factors like demographic, socio-economic, technology and public policy; culture; sub-culture; reference groups; and marketing which are uncontrollable in nature.
- 2. Internal Factors:** Internal factors are the psychological components like covering attitudes, learning, perception, motivation, self-image.
- 3. The Functional Motives:** These include the components like time, ease of shopping online, price, the environment of shopping place, selection of products etc, which are connected to consumer needs.
- 4. The Non-Functional Motives:** These are connected to cultural or social values like the brand, ingredients, etc.

12. Interpretation and Analysis

12.1 Gender

Table 1: Table showing Gender of Respondents Shopping Online

Gender	No. of Respondents	%
Male	118	59.0
Female	82	41.0
Total	200	100.0

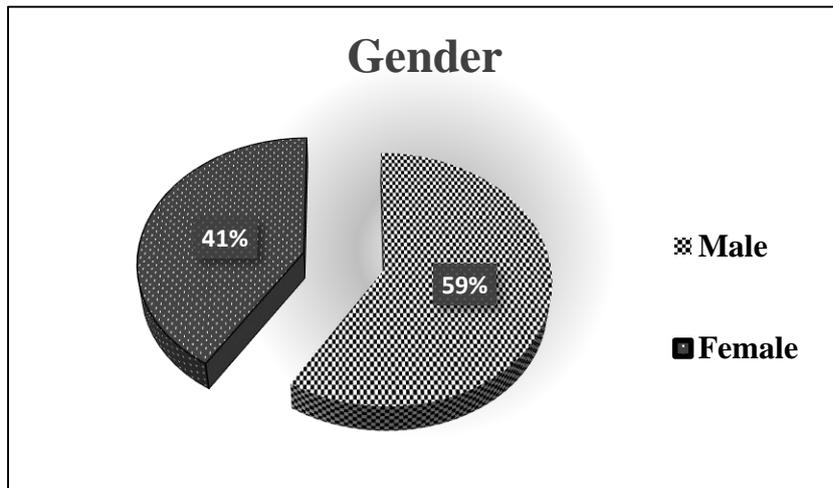


Figure 2: Gender of Respondents Shopping Online

Interpretation

The above chart shows that 59% of the respondents who shop online are male and 41% are female. This shows that males are more interested in doing online shopping.

12.2 Respondents' Attitude

Table 2: Table showing Respondent's Attitude towards Online Shopping

Attitude	No. of Respondents	%
Positive	124	62.0
Negative	41	20.5
No Opinion	35	17.5
Total	200	100.0

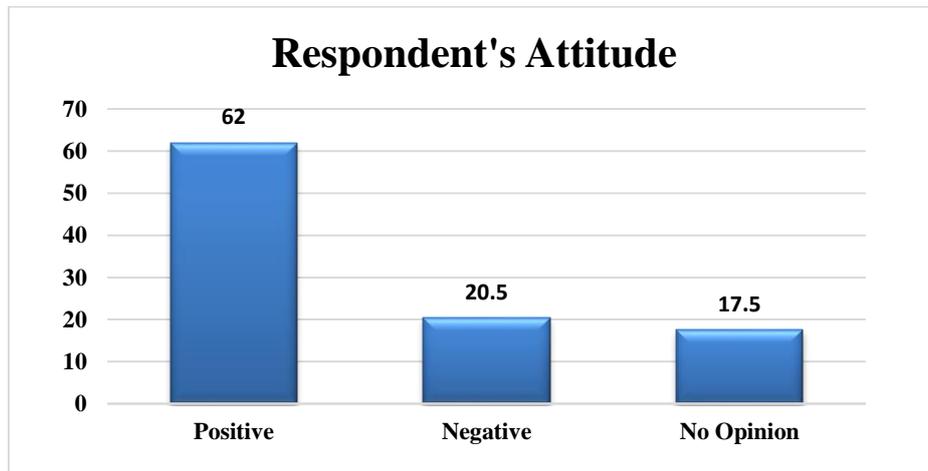


Figure 3: Respondent's Attitude towards Online Shopping

Interpretation

The above chart shows that 62% respondents attitude towards internet shopping is positive and 20.5% people's attitude is negative towards internet shopping and remaining 17.5% people have no opinion towards internet shopping. Thus, it indicates that most of respondents prefer online shopping.

12.3 Frequency of Online Shopping

Table 3: Table showing Frequency of Online Shopping

Frequency of Online Shopping	No. of Respondents	%
Frequently	50	25
Rarely	8	4
Regularly	30	15
According to the need	100	50
Occasionally	10	5
Never	2	1
Total	200	100

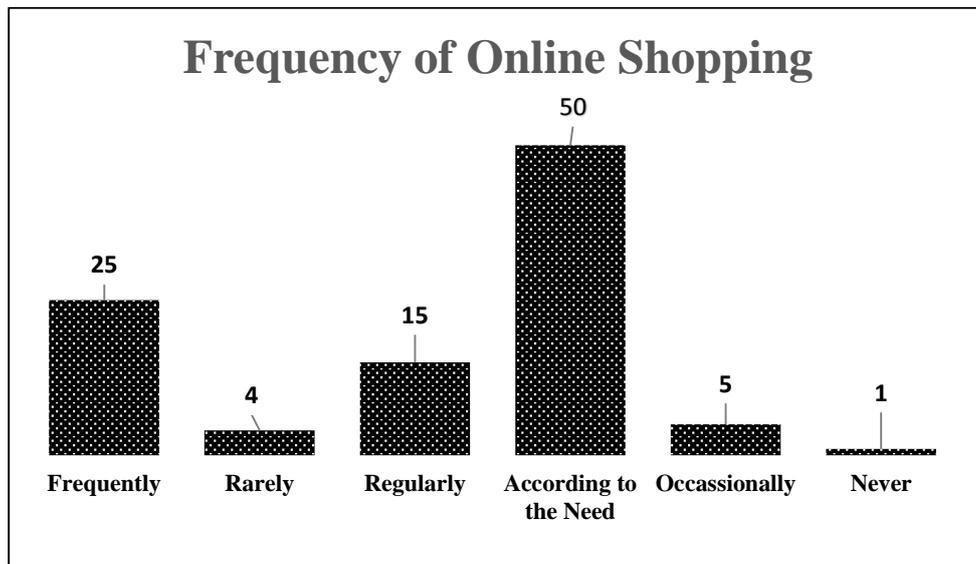


Figure 4: Frequency of Online Shopping

Interpretation

The above chart shows that 50% of the respondents shop according to the need while 1% of the respondents never shop online. This shows that the majority of the people will go for online shopping according to the need. 15% respondents regularly make online purchases while 25% make online purchases more frequently.

12.4 Payment mode

Table 4: Table showing Payment mode Generally Adopted Internet Shopping

Payment mode	Frequency	Percentage
Credit Card	22	11
Debit Card	34	17
Net Banking	16	8
Cash on Delivery	128	64
Total	200	100

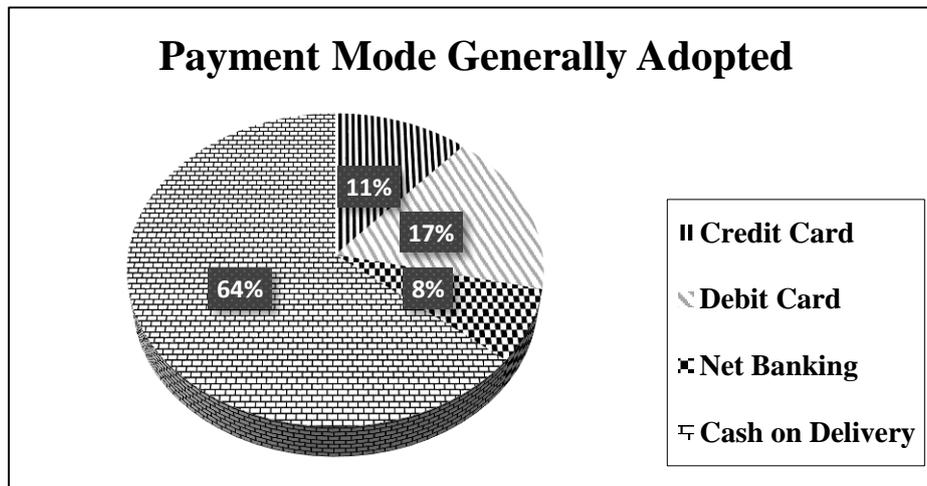


Figure 5: Payment mode Generally Adopted Internet Shopping

Interpretation

This chart shows that 64% of the respondent preferred Cash on delivery while 17% have used Debit card to make online payment. 11% have used Credit card only 8% have used Net banking. This indicates that most people hesitate to pay money before receiving the goods. Thus, it indicates fear of pre payment. Moreover, no respondent has selected E-wallets as their mode of payment.

12.5 Products Bought Over Internet

Table 5: Table showing Ranking of Product Bought Online

(In terms of Percentage)

Rank	Books	Railway/Flight Tickets	Electronic Items	Shares and Bonds	Magazines & Journals	Attire	Gifts, cards, and Flowers	Banking Services	Other Services
1	11	30	34	2	1	10	0	5	3
2	12	32	19	6	8	4	4	11	3
3	13	12	11	5	9	19	10	17	1
4	5	10	16	6	9	9	13	20	5
5	7	4	9	8	14	15	17	15	3

6	9	6	6	8	9	12	12	6	9
7	9	3	2	10	13	9	16	8	9
8	11	1	2	11	17	13	14	4	13
9	14	0	2	8	14	9	12	11	17
10	9	2	0	37	8	1	2	5	39
Total	100								

Interpretation

This table indicates what respondent prefer to buy online most. Where 34% of the respondent ranked Electronic items as their first preference in online shopping while the second preference was given to Railway/ Flight tickets with 32% opting for it. Attire (Cloths and other accessories) was ranked third with 19% of the respondents. 20% of the respondent ranked banking services as fourth preference. 37% of the respondent ranked Shares and Bonds as tenth in online purchase.

12.6 Why Online Shopping?

Table 6: Table showing Why Consumer Prefer Online Shopping (In terms of Percentage)

Particulars	Convenience	Easy to find Product	Easy to compare	Discounts and Offers	Non availability in stores
Strongly agree	41.5	35	40.0	20.0	45.0
Agree	30	39.5	35.0	25.0	20.0
Neither agree nor disagree	10	15	10.0	25.5	15.0
Disagree	9	5	8.0	21.0	15.0
Strongly disagree	9.5	5.5	7.0	8.5	5.0

Interpretation

This table shows the parameters which drive the respondents from making online purchases. 41.5% of the respondent ‘agreed strongly’ that there is convenience of online shopping, while only 9.5% among the respondents ‘disagreed strongly’ with the convenience. 39.5 % among the respondents ‘agreed’ that it is easy to find product in the online shopping In terms of ease of comparison 40% of the respondent strongly

agreed and 7% strongly disagreed with this parameter. The parameter discounts and offers got a mixed review and 45% among the respondents ‘strongly agreed’ that non availability in stores drove them for making online purchases.

12.7 Reason for Less / Not Purchasing Online

Table 7: Table showing Various Reasons for Less / Not Purchasing Online (In terms of Percentage)

Particulars	I am worried about giving out my credit/debit card number	Fear of mismatch between delivered products and description in a website	I do not like providing personal information	No possibility for “touch, feel or see” actual product to assess quality	I enjoy going out to do my shopping
Strongly agree	75.0	25.0	15.0	47.0	25.0
Agree	24.0	31.0	31.0	32.0	36.0
Neither agree nor disagree	1.0	12.0	17.0	10.0	19.0
Disagree	0.0	20.0	20.0	4.0	12.0
Strongly disagree	0.0	12.0	17.0	7.0	8.0
Total	100.0	100.0	100.0	100.0	100.0

Interpretation

This table represents why people make less or no online purchases. 75% of the respondents strongly agreed that they are worried about giving out their credit/debit card details. 31% agreed that they have a fear of mismatch between delivered products and descriptions in the website. 31% of the respondent agreed that they do not like to provide personal information on the e-commerce websites. Among the respondents, 47% strongly agreed that they make less/ no purchase because they cannot touch or see the product. Lastly, 36% agreed that they enjoy going out to do my shopping.

13. Findings

The major findings of the study are listed below:

1. 59% of the respondents who shop online are male and 41% of the respondents are female. This shows that male is more interested in doing online shopping.
2. 62% respondents' attitude towards internet shopping is positive. And 20.5% people's attitude is negative towards internet shopping with remaining 17.5% people having no opinion towards internet shopping. Thus, it indicates that most of the respondents prefer online shopping.
3. 50% of the respondents shop according to their need, while 25% make online purchases more frequently. It also shows that 1% of the respondents have never shopped online.
4. 64% of the respondents preferred cash on delivery. Thus, it indicates fear of prepayment and also that the respondents hesitate to share the credit/debit card details.
5. 34% of the respondents ranked Electronic items as their first preference in online shopping while the second preference was given to Railway/ Flight Tickets with 32% opting for it.
6. Attire (Cloths and other accessories) were ranked third by 19% of the respondents.
7. 37% of the respondents ranked Shares and Bonds as tenth in online purchase. This indicates lack of share market culture in the study area.
8. 41.5% of the respondents strongly agreed that there is convenience of online shopping, while only 9.5% of the respondent strongly disagreed with the convenience.
9. 45% of the respondents strongly agreed that the non-availability of items in stores is the prime reason for making online purchases.
10. 75% of the respondents strongly agreed that they are worried about sharing their credit/debit card details.
11. 47% of the respondents strongly agreed that they make less/ no purchase because they cannot touch or see the product before taking the delivery of the product.

14. Suggestions

With the advent of Online Shopping, shopping seems much easier, but surrounded by a number of threats. Use of phishing attacks and sites with malware are raising mountain high at an exorbitant rate and this has abstained many from using this form of shopping, although, these are not letting the people away from shopping. In this regard, one needs to have common sense and practical experience. Here are some suitable precautions or suggestions put forward to let the customers to do online shopping with safety.

- 1. Look for the Lock:** People should abstain from those websites which doesn't have Secure Sockets Layer (SSL) encryption for doing digital transaction. It can be known if the site has SSL because the URL for the site will start with 'HTTPS://' instead of just 'HTTP://' with a locked padlock icon visible in the address bar.
- 2. Don't Tell All:** While making digital transactions people should refrain from reveling all personal information. The more they know, the easier it is to steal your identity. When possible, refuse to give up the least amount of information.
- 3. Check Statements:** After making an online transaction one should get his passbook updated regularly or check his electronic statement. If something wrong is noticed, it should be immediately informed to the banking authorities.
- 4. Use Strong Passwords:** Using date of birth and name are some of the common methods of creating password but these are easily crack able. Passwords should be long and must be a blend of alphabet, numbers and special character.
- 5. Avoid Public Networks:** Using public Wi-Fi or network for making digital transaction must be avoided as the transaction details and passwords can be stored by third parties. Transactions are more secure when done over private networks.

- 6. Immunizing PC:** Using Antivirus is must for those who regularly use net banking and store monetary information on a computer or laptop. An updated antivirus protects against malware and other phishing attacks.
- 7. Think Mobile:** Using mobile phones for shopping can solve much of the issue. The trick is to use the mobile apps available in the play store, powered by Amazon, Flipkart etc. Consumers can make use of these apps to shop online and can also get exciting offers.
- 8. Use Familiar Websites:** If people know the site, they are less likely of being cheated. Users must be alert about misspelled words or sites using a domain as '.net' instead of '.com', etc. Yes, the offers communicated on these sites are very luring and attractive, but that's how they trick people into giving up their information.

15. Conclusion

These days online shopping is preferred by most and especially the youth. The growing inclination toward online shopping can be attributed to the rising preference for digital modes, better internet coverage and access to high speed low cost data. The e-commerce transactions are more vulnerable to the issues like anonymity, distance and lack of physical interactions. The negativities associated with online shopping like lack of trial before purchase, absence of salesmanship, lack of direct interaction with the seller make it compulsory for many security conscious people to prefer traditional shopping over online shopping. However, this fear is gradually reducing as the shoppers are now a day more informed and aware of the facts. We have found that security and privacy issues often act as barriers to shopping online. People hesitate to share credit/debit card details and personal informations out of the fear of it being misused. The paper also put forth some important suggestions or precautionary measures that will help the online shoppers in keeping their information safe and making online shopping a pleasant experience.

Reference

1. Minjoon Jun, Zhilin Yang, DaeSoo Kim, (2004) "Customers' Perceptions of Online Retailing Service Quality and their Satisfaction", *International Journal of Quality & Reliability Management*, Vol. 21 Iss: 8, pp.817 – 840.
2. Gurbinder S Shergill, Zhaobin Chen, (2005) — Web-Based Shopping: Consumers' attitudes towards online shopping in New Zealand, *Journal of Electronic Commerce Research*, Vol. 6, No.2.
3. Hirst A, Ashwin M (2008), — A Cross Cultural Study of Online Shoppers in London and Bangkok —, *The Journal of Retail Marketing Management Research*, Vol 1 , no. 2.
4. Delafrooz, Narges and Paim, Laily and Khabiti, Ali (2009), — Developing an Instrument for Measurement of Attitude towards Online Shopping, *European Journal of Social Sciences*, 7 (3), pp. 166-177.
5. Toñita Perea y Monsuwé, Benedict G.C. Dellaert, Ko de Ruyter, (2004) "What drives consumers to shop online? A literature review", *International Journal of Service Industry Management*, Vol. 15 Iss: 1, pp.102 – 121.
6. Alexandru M. Degeratu, Arvind Rangaswamy, Jianan Wu, (2001) — Consumer Choice Behavior in Online and Traditional Supermarkets: The Effects of Brand Name, Price, and other Search Attributes, *International Journal of Research in Marketing*, Volume 17, Issue 1, 31, pp 55–78.
7. Christy MK Cheung, Gloria WW Chan, Moez Limayem, (2005) — A Critical Review of Online Consumer Behavior: Empirical Research, *Journal of Electronic Commerce in Organizations*, Vol. 3(4), pp 1-19.
8. Huang Jen-Hung, Yang Yi-Chun, (2010) — Gender differences in adolescents' Online Shopping Motivations, *African Journal of Business Management*, Vol. 4(6), pp. 849-857.
9. Abhinav Srivastava, Amlan Kundu, Shamik Sural, Arun K. Majumdar (2008) — *Credit Card Fraud Detection using Hidden Markov Model*, *IEEE Transactions on Dependable and Secure Computing*, vol. 5, No. 1.
10. [shodhganga.inflibnet.ac.in › jspui › bitstream](http://shodhganga.inflibnet.ac.in/jspui/bitstream).
11. Mark Griffiths, Monica Whitty, (2010) — 'Online Behavioural Tracking in Internet Gambling Research: Ethical and Methodological Issues', *International Journal of Internet Research Ethics*, Volume 3.

12. Chanaka Jayawardhena, Len Tiu Wright, Charles Dennis, (2007) — Consumer's Online: Intentions, Orientations and Sementational, *International Journal of Retail and Distribution Management*.
13. Wen-Chin Tsao, Hung-Ru Chang, (2010) —Exploring the impact of personality traits on online shopping behaviorl, *African Journal of Business Management*, Vol. 4(9), pp. 1800-1812.