

Purchasing pattern of consumers towards online shopping of electronic goods

Md Danish Raza *

Reshma Nikhat †

Department of Management and Commerce

Maulana Azad National Urdu University

Hyderabad

Telangana

India

Abstract

The advent of www (World Wide Web) completely altered attitudes, behaviours, and the marketing scenario around the world. Purchasing pattern refers to the why and how behind consumer purchase decision. Electronic goods are the most popular online searched and compared categories on the internet. In recent years, it has become the top e-commerce subcategory, where people directly search for the specific brand of electronic goods. It is common to picture the Indian electronic sector as a sophisticated, ever-expanding business. In earlier days the marketing was only to fulfill the needs of the customers but now it is no more simple exercise. Customers have become more focused and smart while purchasing, which postulate innovation in marketing. Customers have more sophisticated information technology (IT) skills when looking for products and making purchasing decisions. Because of the constant market accessibility provided by e-commerce, consumers find it more appealing and practical. This paper attempts to study the purchasing pattern of consumers towards online shopping of electronic goods.

Subject Classification: M37.

Keywords: *Purchasing pattern, Consumer behavior, Online shopping, Electronic goods and e-commerce.*

Introduction

The electronic industry has become one of the most profitable ones in the Indian market as a result of the constantly rising use of electronics.

*E-mail: draza2323@gmail.com (Corresponding Author)

†E-mail: r.nikhat@gmail.com

Consumer preferences for and acceptance of the use of electronic products like televisions, mobile phones, and other devices have been substantially affected by rising disposable income in both the rural and urban sectors, as well as by the ease of obtaining credit in recent years [9]. Since the emergence of electronic and mobile commerce over the past few years, more conventional companies are setting up online channels that aren't physical to connect with their clients. This is so because consumers frequently conduct their research and purchases through a multitude of venues [10]. Customers are thrilled with the quick delivery and flawless payment methods offered by online retailers, increasing customer confidence [18]. Online buying has a significant impact on young people in particular because this method of shopping is now preferred by the majority of them over more conventional ones [17]. Customers are using various channels while purchasing the products. Customer uses more online channels at every step in searching information regarding electronic products. Online shoppers show a high level of shopping motivation in purchasing electronic products [19]. Online shopping has more advantages over traditional shopping like, convenience, more varieties, customer review, post purchase feedback, easy comparison of products, discounts, availability of unique products, easy return and exchange etc. [20]. The use of social media in the e-marketing environment comes with a number of benefits as well as obstacles [4]. Social media is essential for marketing and promoting goods and services, growing the scope of operations, and cutting costs. With the aid of social media, businesses are able to reach more precise audiences in a shorter amount of time [2].

Objectives of the study

- To study the demographic profile of customers towards online shopping.
- To study the factors influencing customers to purchase electronic goods online.

Hypotheses of the study

H₀1: There is no significant association on demographic profile of customers towards online shopping.

H₀2: There is no significant factor influencing customers to purchase electronic goods online.

Review of literature

Halstead and Becherer (2003) found that people shopping on the internet want delivery of their purchase quickly and easily. Speed and convenience are the two driving factors essential for online buying.

Roberts & kraynak (2008) remarked that it should be technology that drives the business model not e-marketing. Every social media platform endows opportunity to present company so that individual or dynamic communities can show their interest.

Raval et al., (2014) found that online shopping has rapidly changed the requirement of the people all over the globe. Online marketing has huge scope and great potential in upcoming time in India. Online store has proved to be the most convenient and prominent method to run the B2C (business to customer) websites to sell the products online and provide home deliveries to the customers.

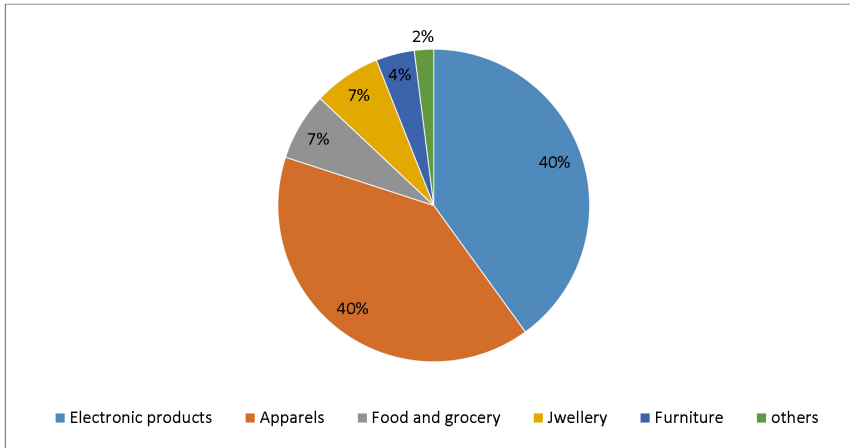
Frasquet et al., (2015) found that while purchasing the products, customers use a variety of channels. As they look for knowledge about electronic devices, customers use more internet channels. When buying electrical devices online, shoppers exhibit a high level of shopping motivation.

Kaushik & Prativindhya (2019) explained that electronics goods advertising use digital marketing. Digital marketing is becoming more visible and connected as a result of the expansion of mobile devices and internet connectivity. The majority of shopping that is touched by digital marketing happens online since online retailing is growing and both digital marketing and online retailing are on the same platform.

Alshurideh (2019) found that the electronic industry is undergoing tremendous development and is currently one of the business sectors with the highest growth. Due to the industry's rapid and significant growth, it is becoming more and more important and critical for both consumers and e-commerce businesses.

Zaware (2020) explained that India is one of the largest markets for electronic goods. The electronic industry includes everything from computers to communication devices to consumer and commercial electronics products and electronic components. Mobile phones and their accessories are one of the major product groups that contribute to the consumer electronics industry.

Indian E-commerce Retail by value (2020)



Source: IBEF 2022

In India, the organised online retail business is thought to account for 25% of the total market and is projected to grow to 37% by 2030. With 140 million internet shoppers as of 2020, India ranked third behind China and the US. The online Gross Merchandise Value (GMV) is expected to reach US\$ 100–120 billion by 2025 as a result of the Indian e-retail sector's predicted over-300–350 million annual customers. India's e-commerce market will grow seven times, reaching US\$ 300 billion, over the upcoming ten years 2021–30 [21].

Research methodology

Primary and secondary data have been used for this study.

Sample Size: The information was collected with the help of structured questionnaire from 400 respondents of various Indian cities.

Sampling technique:

Convenience sampling has been applied and for analysis purpose chi square, cross tabulation and percentile rank has been exercised.

Data analysis and interpretation

Table 1
Demographic Profile of respondents

Variable	Characteristics	No of Respondents (N=400)	Percentage
Gender	Male	246	61.5
	Female	154	38.5
Age	Under 20	24	6
	21 to 35	254	63.5
	36 to 50	91	22.8
	51 to 65	26	6.5
Marital Status	Married	5	1.2
	Unmarried	230	57.5
Educational Qualification	SSC or equivalent	26	6.5
	Intermediate or Diploma	21	5.3
	Graduation	166	41.5
	Post-graduation	127	31.8
	MPhil or PhD	60	15
Occupation	Student	114	28.5
	Businessman	53	13.3
	Professional	125	31.3
	Serviceman	73	18.3
	Housewife	35	8.8
Family Type	Nuclear family	151	37.8
	Joint family	249	62.3
Annual Family Income	0 to 2.5 lakh	56	14
	2.5 lakh to 5 lakh	59	14.7
	5 lakh to 10 lakh	206	51.5
	10 lakh and above	79	19.8

Source: Primary Data (Questionnaire)

Table 2
Demographic profile association towards online shopping

Variables	Total	χ^2 Value	Significance value	Hypotheses
				Null
Gender				
Male	246	11.80	.019	Rejected
Female	154			
Age (Years)				
Under 20	24	44.25	.000	Rejected
21 to 35	254			
36 to 50	91			
51 to 65	26			
66 and above	5			
Marital Status				
Married	170	9.72	.045	Rejected
Unmarried	230			
Educational Qualification				
Intermediate or Diploma	21	82.55	.000	Rejected
Graduates	26			
Postgraduates	127			
MPhil or Ph.D.	166			
Occupation				
Student	114	86.91	.000	Rejected
Businessman	53			
Professional	125			
Serviceman	73			
Housewife	35			
Family Type				
Nuclear family	151	11.54	.021	Rejected
Joint family	249			
Annual Family Income				
0 to 2.5 lakh	56	187.32	.000	Rejected
2.5 to 5 lakh	59			
5 to 10 lakh	206			
10 lakh and above	79			

Source: Primary Data (Questionnaire) significant at 5% level

Explanation of demographic profile association: The calculated significance value for gender, age, educational qualification, marital status, family type and annual income is under 5% (refer table-2). Which means these variables are significantly associating customers towards online shopping?

Table 3
Rank of factors influencing customers to purchase electronic goods online

	convenient	Low Price	Time saving	Offers and discounts	Easy return and replace	24*7 availability
Rank 1	106	226	29	12	8	19
Rank 2	94	28	215	32	14	17
Rank 3	143	79	104	36	22	16
Rank 4	24	22	16	223	61	54
Rank 5	11	17	20	50	262	40
Rank 6	22	28	16	47	33	254

Source: Primary Data (Questionnaire)

Table 4
Factors influencing customers to purchase electronic goods online

	Frequency	Percent	Valid Percent	Cumulative Percent
Convenient	106	26.5	26.5	26.5
Low price	226	56.5	56.5	83.0
Time saving	29	7.3	7.3	90.3
Offer and discount	12	3.0	3.0	93.3
Easy return and replace	8	2.0	2.0	95.3
24*7 availability	19	4.8	4.8	100.0
Total	400	100.0	100.0	

Table 3 and 4 explains a concise on the factors which influence the customer to purchase electronic products online. Among 400 people 56.5% respondents have opted low price, 26.5% opted convenient, 7.3% opted time saving, 3% opted offer and discount, 2% opted easy return and replace and 4.8% opted 24*7 availability as influencing factors. Which means customers tended to rank Low price as most influencing factor followed by Time saving, Convenient, Offer and discount, Easy return and replace and 24*7 availability.

Findings of the study

Shopping preference of the customers: Online shopping has proved to be one of the biggest blessings of internet, where customers do shopping while sitting at one place in a single click. Customers are favouring to shop online rather than going to physical stores, because at online platform they are getting more discounts, offers, comparison of products, easy return & exchange, home delivery and also have option to rate & review the product.

Factors influence customers to purchase electronic goods online: Majority of customers have selected low price as most influencing factor to purchase electronic goods online, followed by Time saving, Convenient, Offer and discount, Easy return and replace and 24*7 availability.

Preferred online store to purchase electronic goods: Majority of customers have selected Amazon as preferred online store to purchase electronic goods, followed by Flipkart, Reliance digital, Croma and Shopclues.

Preferred mode of payment: Majority of customers prefer to make their payment through Credit card, followed by Credit card, BHIM/UPI, Net banking and Cash on delivery (COD) to purchase electronic products online.

Association of demographic profile of customers: Gender, age, educational qualification, marital status, family type and annual income are significantly associating customers towards online shopping.

Conclusion

Today's generation can't imagine their life without internet and technology where internet is presumed to be the change agent for Indian consumers. We are in the era of globalization and the World Wide Web has been playing the most vital role for two decades. Online shopping is more frugal, cheaper, faster and ideal method to advertise product and services locally or globally. Internet marketing is considered to be more reasonable, convenient and faster method to reach the customers. E-commerce offers 24*7 market availability, great discounts, easy return and exchange which make it more attractive and convenient in the mind of customers.

In today's world customers are more internet friendly and tech savvy, before making purchase customers compare the products on different online stores and select the best alternatives. After using the product customers share their experience in the form of post-purchase behaviour.

Purchasing products online not save the time of customers but also helps in getting the best deal. While purchasing electronic products from online stores customers make more savings, as they get bumper offers in making online payment through credit card/debit card, discounts on various payment method like E-wallet, UPI, coupons like free gift voucher, cash back offers, promo codes and various discounts and offers during festival seasons. The accessibility, feasibility and 24*7*365 availability of market attracts the customers to shop online. Online shopping has proved to be the cost-effective marketing tool, it enables customers to purchase desired products or services at the desired destination and in the desired quantity. Social networking sites are playing vital role for online marketer in building customer loyalty and creating reputation in the mind of customer by giving exclusive offers, rewards and using different techniques of ECRM. From the aloft perusal it is educed that online shopping has totally changed purchasing pattern of customers.

References

- [1] Sheth, J. N., & Sharma, A. International e-marketing: opportunities and issues. *International Marketing Review* (2005).
- [2] Roberts R. R., & Kraynak, J. Walk like a Giant, Sell like a Madman.. New Jersey: John Wiley & Sons (2008).
- [3] Gurau, C. Integrated online marketing communication: implementation and management. *Journal of communication management* (2008).
- [4] Raval, Z., Tanna, D., & Raval, D. Internet marketing over traditional marketing. *International Journal of Software and Hardware Research in Engineering*, 2(8), 68-73 (2014).
- [5] Frassetto, M., Mollá, A., & Ruiz, E. Identifying patterns in channel usage across the search, purchase and post-sales stages of shopping. *Electronic Commerce Research and Applications*, 14(6), 654-665 (2015).
- [6] Ravikanth, M., & Rao, P. V. Buying Behavior of Electronic Products in Andhra Pradesh—A Study of Selected Electronic Consumer Product. *International Journal of Core Engineering & Management (IJ-CEM)*, 2(5), 141-159 (2016).
- [7] Chiang, I. P., Yi Lin, C., & Huang, C. H. Measuring the effects of on-line-to-offline marketing. *Contemporary Management Research*, 14(3), 167-189 (2018).

- [8] Kaushik, R., & Prativindhya, M. Influence of Digital Marketing on Consumer Buying Behaviour for Electronic Products: An Empirical Study of Indian Urban Consumers (2019).
- [9] Alshurideh, D. M. Do electronic loyalty programs still drive customer choice and repeat purchase behaviour?. *International Journal of Electronic Customer Relationship Management*, 12(1), 40-57 (2019).
- [10] Zaware, P. D. N. Omnichannel consumer buying behavior: Apprehending the purchasing pattern for mobile buyers in India (2020). Available at SSRN 3819243.
- [11] Sridevi, C., & Mathivanan, M. Factors affecting on online purchase intention of electronic goods a study with special reference to urban areas of nagapattinam district (2022). <https://www.ibef.org/industry/ecommerce>
- [12] Sivasankaran, S. Digital marketing and its impact on buying behaviour of youth. *Hindu* (2013).
- [13] Frassetto, M., Mollá, A., & Ruiz, E. Identifying patterns in channel usage across the search, purchase and post-sales stages of shopping. *Electronic Commerce Research and Applications*, 14(6), 654-665 (2015).
- [14] Sarkar, R., & Sabyasachi, D. Online shopping vs Offline shopping: A comparative study. *International Journal of Scientific Research in Science and Technology*, 3(1), 424-431 (2017).
- [15] <https://www.ibef.org/industry/ecommerce>