

Relation of Demographic Profile of Customers and Their Online Shopping Behaviour

Dr. Harmanjot Kaur¹, Dr. Roopjot Kochar²

¹Consultant Dietitian

²Director

^{1, 2}SGS Ayurveda and Nutrition, Khanna, Punjab, India

Abstract- Online shopping is a recent phenomenon in the field of e-business and is definitely going to be the future of shopping in the world. Most of the companies are running their websites to sell their products/services online. There is hardly any product, service or commodity which is not being sold through internet. Indians are moving online, purchasing everything from apparel to furniture to cars to groceries to everything. Though online shopping is very famous outside India, its growth in Indian Market, which is a big and strategic consumer market, is quickly emerging in line with the global market. Online shopping is acknowledged as a cost-effective, profitable and accessible medium to shop. Due to the advancement in the technology the world has become a global village. Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from seller over the internet using web browser. Consumer find a product of interest by visiting the website of the retailer directly or by searching among the alternative vendor using different shopping sites, which display the same product availability and the pricing at different retailer. Consumer can shop online through computer, laptop and mobile easily.

Keywords- Online shopping, Demographic factors, Consumer perception, customer satisfaction

I. INTRODUCTION

Online shopping has gained popularity over the years, because it is convenient and easy to bargain shop from the comfort of their home or office. A highly demanding lifestyle is compelling consumers worldwide to adopt internet shopping as an alternative to traditional brick and mortar shopping. People, in order to save time and money are motivated to purchase products and services online. One of the most enticing factors about online shopping, particularly during a holiday season, is it alleviates the need to wait in long lines or search from store to store for a particular item [1]. Broadband connectivity and increased usage of credit cards have provided a favorable infrastructure for the growth of online shopping in India. High speed broadband connections have resulted in better and faster display of goods in an appealing manner. Continued liberalization in the telecom

sector has shown positive effects in the past few years. Today, internet services can be conveniently obtained from telecommunication providers at affordable rates. Internet has reached common individuals, thanks to sprawling cyber cafes, inexpensive broadband connections and government initiatives of e-kiosks. According, to statista.com the total number of online buyers globally in 2014 was 1.12 billion while the number has increased to 1.32 billion people in 2016. In 2015, India had 408.4 million internet users. This number is projected to grow to 635.8 million in 2021 [2]. Another study explores the factors affecting consumers' decision to shop online, and how the decision can be affected by product type. The results showed that an important factor influencing the consumer's decision to buy online is an availability of product information on websites. Ease of use is another encouraging factor to buy online. It was also found that products such as movies, music and video games are more acceptable items for online shopping [3]. It was found that higher levels of education and personal income correspond to more favorable perceptions of shopping online. Customers will develop favorable attitude for new online shopping if there is exposure of technology. It was found that only 47% of Indian internet users shop online, Indian online shopping community is around 28 million, on par with South Korea, behind only to China and Japan [4].

Demographic Profile of Consumer and Online Shopping

Online shopping is influenced by multiple factors which depend on consumer needs and their immediate necessities. The difference in online purchase decision on the basis of economic status are very much observable. Demographic factors are the socioeconomic factors which involve the general population and it comprises of factors such as age, gender, income level, ethnicity, designation or occupation, geographical location, marital status, religion, and size of family [5]. Online shopping is gaining popularity among people of young generation. Higher income groups and educated people are purchasing more via e-retailing websites [6]. As of 2015, the majority of online users in India were male, and the same held true for online shoppers. In India, men accounted for almost two thirds of online shopping

audiences. Despite this imbalance in online presence and digital spending, female online shoppers are estimated to account for 42 percent of all Indian e- retail spending in 2020, up from only 20 percent of total retail e-commerce expenditure in 2015. Average annual e-commerce sales per digital buyer in India were 247 U.S. dollars in 2014 and are projected to reach 424 U.S. dollars in 2020 [7]. The conventional literature holds sufficient evidence to support the effect of many factors including gender, education, income, age, households, business and geographical areas at different socio-economic levels on purchase decisions. It was demonstrated that demographic factors, such as age, gender, education, marital status and income play an important role in the buying behavior of consumers [8].

Age and Gender

Age is a crucial demographic aspect that impacts online shopping behavior, as the purchase decisions change with age [9]. The older shoppers are more concerned about the country of origin of a product or service before buying while younger shoppers likely take an online purchase decision due to better computer skills and more experience in using the internet [10]. However, it was found that the younger age group was reluctant to buy online due to financial insufficiency, and is cautious of online shopping. It indicates predominance in female than male in buying online. Indeed, it could be inferred that female are more shopaholic than male in online shopping [11].

Gender differences influence buying decisions as per their varied needs and lifestyle. Shopping behavior differences are significant between men and women. Women perceive a higher risk of online purchases than men. On the other hand, shopping orientation is also different for men and women. Women's online buying behavior is led by social interactions and is mostly recreational. Women perceive shopping as an entertainment channel to socialize and interact with other consumers and get more satisfied purchasing from brick establishments compared to online stores. Men lay more emphasis on hassle free purchases in the comfort of their homes or workplaces and mind less on the recreational benefits of store shopping. Thus, men are more convenience-oriented and do not give importance to face-to-face interaction [12]. Another study on the impact of demographic factors on online shopping behavior of consumers in the city of Delhi also showed significant difference in the online shopping behavior of the consumers in relation to age and gender [13].

Location of Consumers

Based on rural and urban location, marketing strategies are being idealized; Consumers from the urban market are exposed to a different set of goods, newly launched fast moving products or services. People who live in rural areas with less number of shops are more likely to purchase online in order to save time in travelling shops [14]. It is cleared that greater selection of the products is influencing the rural consumer to buy goods through online shopping. Low price and time is another factor that influencing rural consumer to buy goods through online shopping and also discount offer and different type of deals are also influencing them to buy goods through online shopping [15].

Literacy Level and Income

It was observed around (63%) of online buyers were educated up to bachelor, (22.8%) were masters, (10.5%) having intermediate, (1.2%) having high school and (2.5%) were having above master degree. It has also been reported around (80.9%) of respondents having less than ₹ 25000, (16%) were in income group 25000 to 50000, (3.1%) were in income group of greater than 50000. Literature review has revealed that most of the internet shoppers are men, earning high incomes and owning a university education [16]. Education of the customers positively influenced their online shopping decision, respondents with bachelors' degree and more show interest in online shopping. A significant relationship was also found between educational level of the respondents and their usage of internet. A higher level of literacy leads the internet use for online shopping. High income group of people was purchasing much online that low income group of people [17]. Classification by income level, the majority of participants are classified middle-income (54%), followed by high-income (31.5%) and 14.5% low-income earners. Classification by education level indicates that the majority of participants are at the highest education level of bachelor (47%), followed by high school (32.5%), diploma (13%) and master (7.5%) in another study on effect of demographic profile of consumers on online shopping behavior [18].

Occupation

In case of occupation, 46.88% of them were students, 28.13% of them were service holders, 13.12% was homemakers, and the rest of them were doing business [19]. Majority of online buyers i.e. 37.2% are engaged in some profession/service followed by 28.3% students. 21.7% respondents are businessmen and 12.8% are housewife [20].

Frequency of Online Shopping

It was observed that more than half (63%) of respondents were having monthly, (16.7%) of respondents were having weekly, (16.1%) of them were having annually and (4.3%) of them were having daily online shopping. The research provides a holistic view of the various demographic factors influencing consumers' willingness to purchase online. It has also reported lower income consumers to be frequent online shoppers. It is observed that 70.16% of the 0–1 years' experienced online shopper do shopping occasionally, and 20.89% do shopping monthly. 55.17% of 1–2 years' experienced buyer does shopping occasionally, and 37.93% are a monthly online shopper. 39.13% of 2–3 years' experienced online shopper are occasional customers, and 30.43% of the respondents are monthly and fortnightly online shopper [19, 21]. It was reported that majority of the online buyers (67%) shop products very often, 32% purchase product once in a month, 24% shop product once in two months and 32% shop once in six months, while only 16% shop product once in a year [22].

II. CONCLUSION

India is one of the fastest-growing e-commerce markets worldwide, with millions of new internet users taking advantage of cheap mobile connections to send mobile messages, watch online videos, use mobile services, and of course, to shop. Internet has changed the way consumers purchase goods and services at the same time many companies have started using the Internet with the objective of cutting marketing costs, thereby reducing the price of their product and service in order to stay ahead in highly competitive markets. Online shopping can generally give information on products, then can compare prices with the offers available in similar products and can be ordered easily. Demographic factors like gender, age, educational level, income, geographical locations, online shopping previous experiences, perceived benefits, consumer preferences, perceived retailers trustworthiness, consumers lifestyles, consumer prior e-commerce experience, online shopping frequency, duration of daily internet usage found have great impact on consumers online shopping behavior. Consumer behavior doesn't remain the same or constant in every situation it changes time to time. There are various factors which affects consumer behavior. As the change comes in these factors, consumer behavior also changes. The demographic factors which affect consumer behavior are- age, sex, marital status, income, family background, education, occupation, family size, geographic factors, psychological factors.

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