



International Journal of Advanced Research in Arts,
Science, Engineering & Management (IJARASEM)

Volume 11, Issue 4, July - August 2024



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

IMPACT FACTOR: 7.583

Analysis of Consumer Behaviour with Regards to Online Retail Sector

Ritwik Mishra, Jyoti Rana, Dr. Amit Saini

Department of MBA, Quantum School of Business, Quantum University Roorkee, Uttarakhand, India

Department of MBA, Quantum School of Business, Quantum University Roorkee, Uttarakhand, India

Associate Professor, Quantum School of Business, Quantum University Roorkee, Uttarakhand, India

ABSTRACT: The paper "Analysis of Consumer Behaviour with Regards to the Online Retail Sector" looks at how consumer behaviour is changing in relation to online purchasing. It looks at important variables including price sensitivity, convenience, trust, and technology innovations that affect customer choices. The study, which makes use of both quantitative surveys and qualitative interviews, highlights key trends including the growing popularity of mobile shopping, the influence of social media on buying decisions, and the growing significance of customized shopping experiences. The results emphasize how important secure payment methods and user-friendly online interfaces are to raising customer happiness and loyalty. The report also addresses how online merchants can adjust to these consumer expectations in order to stay competitive. The realizations provide insightful direction for e-commerce.

KEYWORDS: Technology developments, social media, price sensitivity, convenience, online purchasing, e-commerce, consumer behaviour, and trust security.

I. INTRODUCTION

Consumer behaviour is the study of people or groups and the methods they employ to select a something or service that fulfils their requirements. In-person and virtual customer behaviour varies. In today's world, the popularity of the internet is rapidly increasing. These days, most people do business online, which has greatly simplified life. With people throughout the world become more trusting and secure in their ability to make purchases online, internet commerce is becoming an increasingly significant part of an industry and a nation's economy. E-commerce is benefiting users in several ways by enhancing their online shopping experience. Online shoppers seek out novel items that are both aesthetically pleasing and reasonably priced. They use the internet to research products, compare prices, and so on, suggesting that they are not limited in their online purchasing. Online purchasing is affected by a variety of factors, including incentives for shopping, the reason for shopping, internet proficiency, and more. Online shoppers seek to locate information that fits their needs, such as the best brands, pricing, and discounts, and want to get as much information as possible with the fewest clicks. E-commerce benefits the channel partners as well.

II. ONLINE RETAIL IN INDIA

Using a web browser or a mobile app, customers can directly purchase products or services from a vendor via the Internet in the form of online shopping, which is a type of electronic commerce. Customers can use a shopping search engine to identify other vendors or go straight to the retailer's website to find a product of interest. The shopping search engine shows the product's availability and price at several e-retailers. As of 2020, clients may purchase online using a number of various computers and devices, including desktop computers, laptops, tablet computers and smartphones. Online stores are analogous to traditional "brick-and-mortar" retailers or shopping centres in that they allow customers to purchase goods and services virtually. This type of online shopping is known as business-to-consumer (B2C) online shopping. Business-to-business (B2B) online purchasing is the process of setting up an online store to allow businesses to purchase from other businesses. Customers may explore a typical online store's selection of goods and services, see product photographs or images, and get details about the features, characteristics, and costs of each item. Customers may typically utilize "search" functions in online retailers to locate particular models, brands, or products. To execute a purchase, an online consumer needs to have access to the Internet and a legitimate payment method, such as a credit card, debit card with Interact enabled, or a service like PayPal. When it comes to physical goods like paperback books or clothing, the online retailer ships the items to the buyer; but, when it comes to digital goods like software or digital audio files, the online retailer often transmits the file to the buyer via the Internet. Among these internet retailers, Alibaba, Amazon.com, and eBay are the biggest.



III. THE PROCEDURE FOR ONLINE BUYING

One way to characterize the process of online purchasing is the decision made by customers to shop online. The internet has evolved into the "new" distribution method, according to Hollensen (2004). One of the main reasons people use the Internet these days is to purchase online, along with looking for items and gathering information about them (Joines et al., 2003). The below points illustrate the process of purchasing online:

- Connect to the internet and launch an online shopping website.
- Browse the items to buy.
- Add them to your shopping cart.
- Proceed with your purchases.
- Check out and place your orders.
- Log in or register.
- Select the delivery mode and speed.
- Select a payment option.
- Enter your contact information, such as your email address, shipping address, and phone number.
- Verify the order(s) and finish the payment.
- Logout and successful shopping.

IV. INTERNET-BASED ACTIVITIES

Over the past ten years, the Internet has been more widely accepted. The main reasons for this are that the web now has a graphical user interface and that private companies now own the Internet instead of the government. Email and instant messaging, general web browsing, news reading, hobby and entertainment searches, online shopping and purchasing, credit card tracking, playing games, and searching for medical and travel-related information are some of the activities that take place on the Internet.

Internet use is mostly utilized for communication, such as email, chat, and instant messaging. It is the main motivation behind why people use the internet. Email offers a practical means of communicating more often and with a far wider audience than can be reached by mail or phone.

The top five things that Indians do online are email, surfing, talking, job searching, and searching. Several websites are frequently utilized for these specific purposes, including

- Indiatimes - The #1 source of event and sports news.
- The Naukri-Best job portal
- Shaadi: Best for marriage services
- Google: Best information domain
- A number of industries in India that are prime for investment include social networking, real estate, internet commerce, ticketing, recruiting, travel, and ticketing.

V. INDIA'S FAVOURABLE FACTORS FOR ONLINE SHOPPING

1. Cybercafés are expanding quickly throughout India
2. Information Access
3. The rise in the quantity of people using computers
4. Access internet services via broadband
5. The number of affluent middle-class individuals is increasing. There are over 200 million middle-class people in the world with disposable incomes. These folks don't have a lot of free time for shopping. A significant number of people have begun to rely on the internet to fulfil their shopping fantasies.

VI. REVIEW OF THE LITERATURE

Goyal Aishwarya (2015) Online purchasing is encouraged by India's growing internet usage. Nowadays, a growing number of consumers are using electronic channels to buy the everyday necessities. Online retailers are benefiting from the growing Internet usage of India's younger population. This study offers a theoretical contribution to the understanding of the current state of online purchasing as well as insights into the preferences and behaviours of



customers. This study would aid in disseminating knowledge on the problems Indian internet retailers face and the potential for development in e-commerce websites.

Sivanesan, R. (2017) The vast Indian market is rapidly evolving. Professionals are becoming more and more accustomed to using the internet, and their mobile usage is increasing. With the number and intensity of digital channels continually increasing, change is still happening quickly. Every year, more people in India spend more time online, and the websites and digital technologies they use become more and more integrated into their daily lives. As times change, astute marketers adapt so that their contact points and marketing techniques reflect the places where their target audience is spending their time.

Srikanth.J. and Rajendra Kumar.R. (2017) After conducting thorough SWOT assessments of these two models, it was shown that while they both have comparable weight ages, the market-based model outperforms the warehouse-based model in terms of product offering, price breaks, and delivery. Therefore, it makes sense for online retailers to choose warehouse-based models in the Indian context. Thus, the ware house model is suggested by this research.

Sandeep Chauhan and Abhishek Chilka (2018) The main activities associated with online or internet shopping include product distribution, purchase, sale, promotion, advertising, and service. These activities are supported by computer networks and the internet. India is seeing a massive increase in internet purchasing. This essay examines the current state of affairs and emerging patterns in Indian internet retail. For instance, the product categories of interest and the favoured online payment method. The abundance of deals made by today's internet retailers draws customers and boosts their bottom line. Online shopping has additional drawbacks, such as issues with quality and security.

VII. PROBLEM DESCRIPTION

This paper seeks to provide an online shopping experience for users, making it simple to purchase for our favourite items from a wide variety of websites that offer online shopping. This allows us to purchase online from the comfort of our own homes. During festival seasons, there's no good reason to visit crowded stores or shopping malls. To purchase online, all you need is a PC or laptop and a reliable method of receiving payments. Customers will require an email address and password in order to access this online shopping system, after which they may log in and continue buying. An online shopping system's login credentials are extremely secure, making it impossible for anybody to simply crack them. After logging in successfully, users can order a variety of items from the online shopping system, including presents, tools, clothing, books, mobile phones, jewellery, and baby care. Not only that, but we can even buy from other countries with a few mouse clicks. Naturally, the things we have asked will be delivered right at our door. With this, we won't need to visit real stores and can spend more time with our family. All you need is a computer and a means of making payments, such as credit card, debit card, or net banking.

The study's objectives are to:

- Gain an understanding of consumer behaviour and attributes; and
- Examine how a customer's demographics affect their online purchasing habits.
- Examine the variables influencing consumer behaviour.

VIII. METHODOLOGY

The current study is descriptive in nature and was compiled from government records, books, journals, articles, and websites, among other sources.

IX. STATISTICS REGARDING INDIAN INTERNET RETAILERS

- By 2024, e-commerce will account for more than 22.1% of all retail sales.
- The most popular e-commerce sites in 2024 will include Amazon.com, Flipkart.com, Myntra, India Mart, Jio Mart, and so on.
- With a projected net sale of 222 billion Indian rupees in 2023, Amazon is the most popular online retailer.
- By 2025, e-commerce is projected to represent 31% of all retail sales worldwide.
- General merchandise will make up around 67% of sales in retail e-commerce, or \$401.63 billion.
- India, Indonesia, and the United States are predicted to have the greatest growth rates in retail e-Commerce between 2024 and 2028.
- The e-commerce market in India is projected to increase at an annual pace of 11.45% to reach INR 7,591.94 billion by 2029 from INR 4,416.68 billion in 2024. With over 800 million users, UPI transactions reached INR 125.94 trillion in 2022. 501.6 million people are predicted to utilize e-commerce by 2029.



X. Benefits of Online Buying

Business organizations have shifted from the old technique of selling items to the electronic approach due to the rapid rise of technology.

- **Cheaper discounts** and better rates may be found online as there are no intermediaries involved and the items are sent straight to you from the vendor or manufacturer. It's also simpler to evaluate costs and locate a superior offer. In addition, a lot of websites provide rebates and discount coupons. Because online retailers are only compelled to collect sales tax if they have a physical facility in your state, you can save taxes in addition to the cheaper rates. You have made significant financial savings when you account for the money you have saved on parking and petrol
- **Greater diversity:** There are a ton of options available online. Almost every brand or item you're looking for is available. You have access to a significantly wider variety of colours and sizes than what's available nearby. Additionally, there is a lot more stock, so you can always get the colour and size you want. Even some online retailers take orders for things that aren't in stock and ship as soon as they arrive.
- **Simple cost comparisons:** Online shopping makes it incredibly simpler to compare and study items and their pricing. For instance, while shopping for appliances, you may get links to the lowest pricing along with product comparisons and user reviews for every alternative available on the market. For the majority of goods and merchants, we can look up first-hand accounts, ratings, and reviews.
- **There aren't any crowds:** If you're anything like me, you detest crowds when you shop. They may be a major pain, particularly on weekends, during vacations, and during festivals. Additionally, we may feel hurried or rushed when we are pressed together in the throng of consumers. There is no competition for a parking spot. When you purchase online, you can steer clear of all of these issues.
- **Online store availability:** The mall is open 365 days a year, 24 hours a day. Therefore, wherever the vendor and purchasers are, time is not a barrier.

XI. THE DRAWBACKS OF ONLINE SHOPPING

- **Packaging that harms the environment:** while receiving your item delivered straight to your door after being packaged in many layers of cardboard and plastic is convenient for you, it is not so wonderful for the environment. Online purchasing results in needless waste, even if you try to recycle the cardboard.
- **Shipping issues and hold-ups:** Unless you pick up your item in person, there's no guarantee that you'll receive it in time—even the biggest and finest delivery firms and online shops have bad days. Surprisingly often, things are misplaced, delayed, damaged, or delivered to the incorrect place.
- **Fraud risk:** Purchasing online increases your chance of falling victim to several forms of fraud, including credit card fraud, phishing, hacking, identity theft, fake websites, and other typical frauds.
- **Excessive internet usage:** If your profession necessitates you to spend the whole day in front of a computer, you may become burnt out from all the screen time. You may find yourself spending most of the day online when shopping when it becomes a marathon of scrolling and clicking into rabbit holes. Though it's a pleasant place to visit, you probably don't want to live on the internet.

XII. INDIA'S INTERNET RETAIL LANDSCAPE

Creative Plans: India's e-commerce industry is benefiting from a number of creative initiatives that are accelerating business growth. Small market entry hurdles, simple registration procedures, and the availability of certificates are all very beneficial to companies hoping to carve out a niche for themselves.

Growing Internet Services: The fast advancement of Internet services is a major factor contributing to the growth of eCommerce in India. Even the most isolated houses in the nation now have access to the Internet. Most individuals, whether they live in large cities or tiny towns, have access to the Internet. Online businesses are directly benefiting from this, as their largest obstacle was limited to selling to metropolitan areas. Furthermore, more individuals are browsing and searching the Internet due to quicker internet access.



Increased Mobile Users: Over 30% of the world's smartphone market is accounted for by India. The number of smartphones supplied increased from 160.9 million to 200 million approximately between 2016 and 2024. Because of all of this, the eCommerce sector has had a rapid growth as more and more people use smartphones. Furthermore, a lot of smartphone manufacturers provide a selection of reasonably priced models, making it simpler for anyone to purchase one. Additionally, smartphones have given customers access to a new, hassle-free method of safe payment via their wallets, UPIs, and other accounts.

Flexible Payment Options: The introduction of UPI as a payment method has improved the situation for the Indian e-commerce sector. One-click payment alternatives are made possible via the Unified Payment Interface, an immediate payment system created in India. It allows for the easy transmission of money between two parties using a mobile device and is governed by the Indian government. Customers are finding it easier than ever to place their orders because UPI is now accepted as payment by eCommerce businesses.

XIII. INTERNET SHOPPING'S RISKS IN INDIA

In the global context, every firm faces specific dangers that it has to be aware of. The same holds true for online retailers. The way you respond to these dangers will determine whether your firm succeeds or fails.

High rivalry: A major concern to the eCommerce sector is the level of rivalry in the market. Due to reduced entry barriers, a wider range of enterprises are entering the market and competing with one another. Furthermore, because of trust difficulties, many still choose to purchase at industry giants like Amazon and others. Furthermore, vendors are enticing customers to purchase from them by offering incredible discounts.

Logistics: One of the things that has the power to quickly make or ruin a company is logistics. The littlest mistakes in an eCommerce company's logistics can ruin the customer's overall experience. Employing third-party logistics firms like Ship Rocket, who have years of expertise handling eCommerce orders and fostering business growth through successful delivery, is necessary for businesses to prevent this. Future prospects for the eCommerce industry may be significantly impacted by careful consideration of the supply chain and logistics.

Making informed selections is crucial now that you are aware of the elements driving the eCommerce industry's expansion and danger. Keep in mind that client happiness is the most crucial component for an eCommerce firm. Because of this, focus on your logistics and set yourself apart from the competition by offering your clients a unique experience.

XIV. CONCLUSION

Every time a customer makes an online purchase, a number of factors affect them. Online shopping may greatly benefit the consumer in terms of convenience and budgeting.

Shopping from home at different sites with diverse selections has its benefits as well. Given that online purchases require the customer to provide specific personal and financial information, trust is obviously necessary. Online shopping has significantly changed how consumers purchase labour and goods. In order to save costs associated with advertising and, consequently, lower the cost of their product and service, many businesses use the Internet to their advantage in fiercely competitive markets.

Businesses also use the Internet to share, transmit, and disseminate information in order to market their products, solicit feedback, and conduct customer satisfaction surveys. Customers use the Internet not just to purchase products online but also to research prices, features, and deal administration services they may receive from a certain retailer. Experts are optimistic about the potential of internet commerce.

A growing middle class with more discretionary incomes, growing internet penetration, and growing smartphone use have all contributed to India's online retail sector's impressive development and change in recent years. The industry has experienced tremendous change, with e-commerce platforms providing a broad range of goods and services, from grocery and healthcare to electronics and fashion. Notwithstanding the difficulties, the Indian online retail market has a bright future ahead of it. Growth will likely continue as businesses make infrastructural investments, broaden their product lines, and concentrate on boosting consumer happiness and trust. The Indian internet retail industry is well-positioned for long-term success by embracing innovation, working together, and attending to the changing demands of consumers.

XV. Findings of research

- Internet shopping is getting well known among the youthful age as they feel it is more agreeable, efficient, and helpful. It is examined from the study that when a customer makes a brain to buy online products the person in question is impacted by different variables. The vitally essential variables recognized are efficient, the best cost and comfort.
- People look at costs in internet-based stores and afterward survey all criticism and rating about item prior to making the last determination of item and choice.
- The primary boundary during the time spent web-based shopping is the security issue.
- Internet shopping is generally happy with the costs, conveyance and so on in correlation with the area of the city.
- From the age of 18 to 33, web based shopping is more utilized as there is more impact of the web age, and internet shopping has turned into an arising pattern among this age gathering to a large portion of the web-based customers are utilized accordingly they have the essential freedom to shop online as the greater part of them have different degrees of pay the times the web is being utilized for web based shopping where a few respondents have shown that they have shopped web-based just a single time in a year or in five months and so forth.
- Web based shopping is a lot more straightforward method for buying items where 23 respondents as indeed, on the grounds that in internet shopping there is less actual development of the buyer as items are being requested and are being conveyed at entryway steps.
- Online customers are more persuaded to purchase online as it is simple in instalment, and it is efficient. Web based shopping helps in examination of items from various internet shopping sites.

REFERENCES

1. Anders Haslinger, S. H. (2007). Consumer Behaviour in Online Shopping. Kristianstad University, 103.
2. Sachin Tiwari, D. P. (2020). A Study on Consumer Behaviour towards Online Shopping with Special Reference to Delhi and NCR. International Journal of Advances in Engineering and Management, 37.
3. Singh, D. A. (2014). Consumer Behaviour in online Shopping: A Study of Aizawl. FOREX_ENGG, 5.
4. Anita Desai (2003) E-tailing is the practice of selling retail goods on the Internet retrieved on oct 22, 2013 from <http://www.scribd.com/doc/171807012/Chapter-1>
5. Jarvenpaa, S. L., Tractinsky, N., and Vitale, M. (2000), Consumer trusts in an Internet store, *Information Technology and Management* (1), pp. 45-71.
7. Kuester, Sabine (2012): MKT 301: Strategic Marketing & Marketing in Specific Industry Contexts, University of Mannheim, p. 110
8. Li, H., Kuo, C., and Russell, M. G. (1999), the impact of perceived channel utilities, shopping orientations, and demographics on the consumer's online buying behaviour, *Journal of Computer-Mediated Communication* (5:2).
9. Petrovic Dejan (2010) Analysis of consumer behaviour online retrieved on oct 22, 2013 from <http://analogik.com/articles/227/analysis-of-consumer-behaviour-online>
10. Shun, C., Yunjie, X. (2006). Effects of outcome, process, and shopping enjoyment on online consumer behaviour. *Electronic Commerce Research and Applications* 5(4), 272-281.
11. Abhishek Chilka & Sandeep Chauhan, "Study on Recent Trends in Online Shopping in India", *International Journal of Scientific & Engineering Research*, Volume 9, Issue 2, February 2018, Pp – 30- 33.
12. Aishwarya Goyal, "Rising Trends of Online Shopping in India", *Biz and Bytes*, Volume 6, Issue 2, 2015, Pp – 125-131.
13. Bhatnagar, S, Misra & Rao, HR 2000, 'On risk, convenience, and Internet shopping behaviour - Why some consumers are online shoppers while others are not', *Communications of the ACM*, vol. 43, no. 11, pp. 98- 105.
14. Chongtham, BD & Nil, RR 2012, 'Internet use among University students A case study of Assam University Silchar', *Pratidhwani*, vol.1, no. 2.pp. 183-201.
15. Muthumani,A., Lavanya,V., & Mahalakshmi,R., "Problems faced by Customers on Online Shopping in Virudhunagar District", *International Conference on Recent Trends in Engineering Science, Humanities and Management*", 2017, Pp- 398- 405.
16. Rajendra Kumar & Srikanth.J, "SWOT Analysis of Online Shopping Models", *International Journal of Current Engineering and Scientific Research*, Volume 4, Issue 6, 2017, Pp 28-31.
17. Sivanesan.R "A Study on Problems Faced by Customers in Online Shopping with special reference to Kanyakumari District", *International Journal of Research in Management & Business Studies*, Volume 4, Issue 3 (SPL 1) July-September 2017, Pp- 22-25.
18. <https://www.worldatlas.com/articles/the-20-countries-with-the-most-internet-users.html>
19. <https://chatgpt.com/>
20. <https://www.shiprocket.in/>



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



International Journal of Advanced Research in Arts, Science, Engineering & Management (IJARASEM)

| Mobile No: +91-9940572462 | Whatsapp: +91-9940572462 | ijarasem@gmail.com |

www.ijarasem.com