

## **ON-LINE BUYING BEHAVIOR OF CONSUMERS WITH REFERENCE TO KRISHNAGIRI DISTRICTS**

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### **1.1 INTRODUCTION**

Information technology and its evolution play a predominant place in the success of business in diverse market environments. It provides unique information about world business opportunities. In such a way websites are becoming mainstream commercial usages as it is user-friendly for every walk of life. The internet is the technology introduced in the modern field of business, which is widely used for business operations. Based on usage, internet users are classified into two categories according to their nature such as active and passive users. The active users are those who use selective search engines and refer to some websites for the collection of information for purchasing goods and services. <sup>[1]</sup> passive users are those who receive frequent messages through their e-mail, social media, or other modes of message about the availability of products in the markets. Likewise, from the buyer's point of view, buyers are divided into two categories online and offline. The online purchasing of goods and commodities with help of online sources or retailers such as Flipkart, Amazon, Grofers India Pvt. Ltd, Zomato Ltd, Myntra Designs Pvt. Ltd etc., offline buyers depend on dependable marketers, like retailers, wholesalers, agents, etc.

### **1.2 IMPORTANCE OF INFORMATION TECHNOLOGY**

The development of technology is unavoidable in the present scenario due to tough competition prevailing among countries for their development. In the modern era, the superior position of the country is decided based on the advancement in technology. A recent survey conducted by the Indian Marketing Research Bureau (INRB) states that more than 143 million social media users are using digital media for various service purposes. The report reveals that four metro states continue to account for almost fifty percent of social media users in the urban region of India. The technology is widely used by college students and school-going children. <sup>[2]</sup>

#### **1.2.1 SMARTPHONES**

In the present scenario, smartphones are playing a predominant role in people's day-to-day activities. The far most reason is its affordability, these devices are not only used for normal purposes like phone calls, videos, or chatting, rather it is used for different online payment purposes like e-wallet, core banking, e-banking, mobile banking, and for electronic retail payments.

#### **1.2.2 E-WALLET**

In India, e-wallet service is legally approved as a "pre-paid payment instrument" it is defined in the RBI guidelines under the payment and settlements Act, 2005." It facilitates the purchase of goods and services including fund transfers. There are three types of wallet system is available for transfers first one is closed system payments, issued by the establishments exclusively used for their own purpose, the second one is semi-closed system payments used only for clearly mentioned merchants or to the locations, and the third one is open system payments used for purchasing good and services including ATM services. <sup>[3]</sup>

#### **1.2.3 WORLD WIDE WEB (WWW)**

The World Wide Web (WWW) is an interconnected system of web pages accessible with the help of internet facilities. In the present era, WWW has drastically modified the uses of individuals and corporates around the world. In the past, it was used mostly for transferring information and sending communication. But in the present context, it is used for merchandising services such as online retailing, and financing services. Smart devices have made the possibility of accessing services at 4x7 and providing convenient services at the doorsteps of customers of different walks. <sup>[4]</sup>

### **1.3 ONLINE MARKETING**

Online marketing is defined as a set of technological tools and methods adopted for selling products and services through the internet. It includes a wider spectrum of marketing strategies than a traditional business. Online

marketing is organized with extra channels and marketing mechanisms available on the internet platform. It contains several branches such as social media marketing, search engine marketing, and search engine optimization.

Effective online marketing promotes customer relationship Management (CRM), which connects sellers with qualified potential consumers, and paves the way for business development as compared with traditional business marketing.

Online Marketing includes internet innovative technology, design, development, and advertisement focusing on essential business models such as E-commerce, Lead-based websites, affiliate marketing, local search, and social media. It helps the business for its growth, reduces the middlemen expenditures, provides effective communication about the products, better control of the middlemen, provided improved pre- and post-purchase customer services, and created competition.

#### **1.4 CONSUMER BEHAVIOR**

The term consumer behavior is an autonomous discipline in the field of the market that got its importance in the 60s. Since then it has gained its significance and advancement mode with the support of constant research by focusing on all the aspects, which are relevant to consumer behavior.

Consumer behavior is related to the psychology of the consumers who buy goods and services. It makes differences in the purchasing attitude of the consumers where they depend on various factors like search, evaluation of purchase, consumption, and, post-purchase behavior including disposal of products by analyzing the environment and personal attitude of the consumers. It is a source of knowledge that reads various elements of consumer behavior related to the purchase and disposal of products.

Consumer behavior includes services, ideas, and tangible products. It also depends and influences on market conditions like combative marketing of the goods, and easy credits. It is also considered to be a complex term influenced by various variables dealing with the tendency of consumers. Those variables are divided into three major sections which read as under.

- External environmental variables such as culture, social group, family type, geographical, political, economic, and religious environment.
- Individual Determinants like personality and self-esteem, Motivation and participation, understanding and information learning, and perseverance.
- Consumer decision-making process such as problem identification, information search, evaluation of products and services, purchase planning, and post-purchase attitude. <sup>[5]</sup>

Consumer behavior is not a single process it is influenced by several processes such as recognition, information, evaluation, purchase decision, and post-purchase decision. Under these processes, the consumers should have knowledge in recognizing the problems that need to be fulfilled, information regarding the requirement of the products, evaluate the need of the products and then the final decision on purchases are made.

#### **1.5 STATEMENT OF THE PROBLEM**

Online buying is a new trend of purchase where the relationship between sellers and consumers is built with the help of virtual technologies. Here there is no physical contact arises between them, but the real-time delivery system and zero tolerance for technical issues are the two important principles adopted by the sellers.

Online marketing is uniting world trade and builds strong consumer relationships between countries for developing and utilizing the resources of the different countries. It helps the conglomerates to understand the different cross-cultural perceptions and utility access of products.

Online buying behaviour is related to the psychology of consumers, leading them to buy products online. Consumers' decisions are influenced by different factors such as product availability, transparency in delivery, price, and convenience of buying.

The evolution of internet technology and online advertisements has a direct influence on the buying attitude of consumers, it reaches the consumers very fast and plays a major source of publicity about the products segments and brand establishments. The advancement of technology has revolutionized world business and made it worth the business world at large.

Online sources such as online catalogs, websites, and search engines are providing strong information about the availability of online products. Which helps the consumers to differentiate and compare the choice of products and

services. Therefore, this research study analyzes the various impulse factors that induce the online buying behavior of consumers.

### **1.6 SCOPE OF THE STUDY**

The present study is focussing on the Online buying Behaviour of customers in krishnagiri district. The research study also Analysis the factors that induce online buying among customers and the level of perception of online buying. Besides, this research study evaluates the relationship between online buying behaviour and the quality of services offered by online sellers.

### **1.7 OBJECTIVES OF THE STUDY**

1. To analyze the socio-economic profile of the consumers accessing online shopping.
2. To examine Customer's behaviour towards online buying in Krishnagiri Districts.
3. To evaluate the determinants of factors that induce online shopping behaviour.
4. To study online buying behaviour towards the quality of services offered
5. To study customer's perceptions of online buying behaviour

### **1.8 HYPOTHESES OF THE STUDY**

The following alternative hypotheses have been framed for the purpose of perusing the research study with a common base of understanding to explore further.

- There is no significant relationship between the socio-economic profile of online buyers and the level of customer behaviour toward online buying.
- There is no significant association between the level of customer behaviour towards online buying and the quality of services offered.
- There is no significant difference in the perception of customers toward the online buying behaviour
- There is no significant difference between on-buying and factors inducing buying behaviour of the customers.

### **1.9 PERIOD OF THE STUDY**

The period study covers a total of three starting from October 2019 to October 2022. Whereas data for the analysis is collected for ten months from January 2022 to October 2022.

### **1.10 METHODOLOGY**

#### **1.10.1 METHOD OF DATA COLLECTION**

The study is Descriptive in nature where both primary and secondary data are used. The primary data required for the study were collected from the customer using different modes of an E-commerce platform online line buying. The pilot study was conducted with 35 respondents with the help of a structured questionnaire. Based on the study the questionnaire was reconstructed with few recommendations suggested. The interview schedule was reconstructed with the help of Hawkin's stren theory, where four factors such as *pure impulse purchase behaviour*, *reminded impulse purchase*, *suggested impulse purchase*, and *planned impulse decision*, were taken into consideration for framing the questionnaire related to the factors influencing online buying behaviour of the customers.

The first portion of the questionnaire contains the socio-economic factors of the consumer's , the second part of the questionnaire carries details relating to the customer's behaviour towards online buying, and the third part of the questionnaire contained the detail of factors influencing the online buying behaviour of the customers, the fourth portion of the questionnaire contains the details of buying behaviour toward the quality of services offered by the online sellers, and the final part of the questionnaire contains the details of the customer's perception on online buying behaviour by using five-point Likert's scales suggested by scientist Rensis Likert.

The secondary data for the study was collected from Journals, magazines, newspapers, books, YouTube, Twitter, and Wikipedia sources. The annual reports of various online sellers such as Amazon India, Flipkart, Snapdeal, Myntra, and India MART. The research articles have been downloaded from Google scholar, Mendeley, N-list, Delnet, and other databases available from university libraries.

**1.10.2 SAMPLING DESIGN**

As the population of the study are larger in nature, the sampling technique is used for simplifying the size of the data used in the study area. The sampling size pertaining to the study is decided on the basis of the research article entitled “Sample Size Determination in Survey Research” Anokye M. Adam (2020), according to this paper 400 samples are enough as the population size goes beyond one lakh. On this assumption, the entire population belonging to the research area is considered for studying consumers’ online buying behaviour. Table 1.1 shows in detail the classification of a sample of customers.

**Table 1.1**  
**Taluk-wise classification of the sample**

<b>S.NO</b>	<b>Taluk</b>	<b>Sample size of the customers</b>
1.	Krishnagiri	55
2.	Hosur	55
3.	Poachampalli	55
4.	Denkanikottai	55
5.	Uthangarai	55
6.	Anchetty	55
7.	Bargur	55
8.	Schoolagir	55
	<b>Total</b>	<b>440</b>

As the details of the 2011 census, alone are available, no exact details of the population are available, for deciding the sampling size. Hence the non-probability sampling method and purposive sampling technique has been chosen. Purposive sampling helps the researcher to control the irrelevant responses which do not support the study.

**1.10.3 STATISTICAL TOOLS**

The analysis for the study is done with the help of statistical tool software called a statistical package for social science research (SPSS) and Analysis of moment structure (AMOS), is used. This software is built by International Business Machines Corporation (IBM) a multinational technology corporation headquartered in Armonk, New York City, United States of America.

**PERCENTAGE ANALYSIS**

Percentage analysis refers to a special kind of rate, used in the form of percentages where a comparison is made between two or more series of data. Here in this study, it is used for analyzing the socio-economic status of respondents pertaining to the research area who are online buying platforms for purchasing products and services. Where gender, age, educational qualification, Income, living standard, and family type is considered.

**DESCRIPTIVE STATISTICS**

It is a statistic that describes, summarizes, and organizes the characteristic of the data set used for the analysis. Usually in qualitative research after the collection of data to describe the characteristics of the responses, or to find the relationship between the variables it is used. The researcher has applied descriptive statistics to describe the various factors influencing the online buying attitude of consumers.

**CHI-SQUARE TEST**

The Chi-square test is one of the simplest and most widely used tests. it is a non-parametric test that was first developed by Karl Pearson in the year 1900 which identifies the differences between the expected and observed variables. The  $\chi^2$  statistics is computed with the help of the following formula.

$$\text{Chi-Square test} = \sum \frac{(O - E)^2}{E}$$

E	= Row total X column total/ Grand total
Df	= ( r-1 )C-1)
O	= observed Frequency
E	= Expected Frequency
Df	= Degrees of freedom
R	= Row
C	= Column

### **EXPLORATORY ANALYSIS**

It is a multivariate statistical tool used to identify the smallest number of factors, dimensions, latent variables, and synthetic variables which can parsimoniously explain the variations among the measured variables. Here in this study, the researcher has grouped the perception level of consumers accessing online buying options and their behaviour towards online buying.

### **STRUCTURAL EQUATION MODELING**

It is the second-generation method of analyzing the interconnection between the multiple variables used in the model.<sup>[6]</sup> "Structural equation modeling is a collection of statistical techniques that permits to find of relationships between one or more independent variables either continuous or discrete and one or more dependent variables either continuous or discrete that needs to examine independent variable or dependent variable."<sup>[7]</sup>

### **CONFIRMATORY FACTOR ANALYSIS**

The researcher has used confirmatory factor analysis for analyzing, the factors inducing online shopping behaviour, quality of service offered, and customer perception of online buying behavior. This application is done with the help of exploratory factor analysis where "the extractions are done with the Eigenvalues greater than one, and absolute factory loading values greater than 0.50" Nazanin Kordestani Ghalenoei (2021),<sup>[8]</sup> the important statistics attained in CFA is standardized factor loading of the variables. The assessment of the validity and reliability of the construct is identified with the help of, construct validity, convergent validity, Composite validity, and Discriminant validity. <sup>[10]</sup>

In the present study, confirmatory factor analysis is used to identify, the reliability and validity of the model constructed with the help of factors extracted by Exploratory factor analysis.

### **1.11 LIMITATIONS OF THE STUDY**

The following of the limitation of the study faced by the research when research is undergone.

- The research study is taken up in the Krishnagiri district, due to the cost constraint, the results obtained here in this study shall not be applicable to other geopolitical areas.
- The study is done only on the consumers who are using an online platform for purchasing goods and services domestic purchasers were not considered for the study.
- For collecting data convenient sampling method is used due to the lack of time for collecting data and the cost-effectiveness to appoint enumerators.
- The research may be owing to biases due to dis interest of respondents when data is collected with the help of Google form.

### **1.12 SCHEME OF CHAPTALIZATION**

The first chapter gives a clear idea about the importance of the Technology used by consumers for buying goods and services with the help of e-based sources, it contains an introduction, a statement of the problem, the objectives of the study, the formation of a hypothesis, Research methods and designs, sampling size and design, method of data collection, statistical tools used, area of the study, time of the study, limitation and chapterisation.

The second chapter deals with a review of literature that contains both Indian reviews and foreign reviews collected from different e-based sources and paid sources such as N-list and Delnet, and free accessing database sources like google scholar, medley, etc... the reviews were also collected from published and unpublished govt and non-govt sources.

The third chapter deals with the overview of the study, which covers the entire component of the theory related to Online purchases and technology sources and the contribution of online sellers and consumers' behaviour towards the purchasing attitude.

The fourth chapter deals with data analysis, interpretation, and findings, with the help of multivariate statistical tools.

The fifth chapter enumerates the key findings and suggestions along with a recommendation for further study attached with the annexure

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