

IMPACT OF E-COMMERCE ON CONSUMER BUYING BEHAVIOUR

Shana Shaikh

Assistant Professor, BMS, ZSCT's Thakur Shyamnarayan Degree College, Kandivali (E),
Mumbai, Maharashtra, India
Email : shanashaikh0301@gmail.com
Contact No : 9820725175

Abstract

Through e-trading, the e-commerce industry is currently growing to be extremely large and expanding. The market is greatly impacted by the E-commerce sector's explosive rise. The responses and purchasing patterns of customers determine the success of e-commerce. The secret to success is a lower middle level of business, competitive pricing, and doorstep delivery. Numerous studies demonstrate that this industry has outperformed traditional marketing strategies by offering incentives to consumers, which has increased demand in this area significantly. Given that e-commerce is generating enormous amounts of revenue from the Indian market, it is regarded as a prospective market. The goal of this research is to examine the body of knowledge currently available on e-commerce and associated topics. The study's main topics include the state of e-commerce in India, e-commerce and technology adoption, e-commerce's socioeconomic effects, e-commerce and consumer purchasing decisions, and the advantages and success of e-commerce. Technological advancements appear quickly and are quickly embraced by the market. As consumers use technology more and more in their lives, their expectations may shift. Therefore, advancements in e-commerce and its business model may be to blame for shifts in consumer purchasing patterns. This study aims to comprehend the future demand for research on the influence of e-commerce on customer purchasing behavior and the degree to which purchasing can be affected.

Keywords : consumer buying decision, e-commerce, e-commerce advantages, socio economic effect

INTRODUCTION

In the previous 20 years, the internet has grown significantly, and a global digital economy powered by information technology has also emerged. Long-term internet development that resulted in a sharp rise in web users and extremely fast internet connections, along with the development of new technology utilized in web development, allowed businesses to improve and market their product and service images through websites. Consequently, a growing number of consumers are shifting from traditional in-store purchasing to online shopping due to the availability of comprehensive product information and better services. However, a growing number of businesses have changed their marketing strategies after realizing that the shift in consumer behavior is an inevitable trend. Recent studies have revealed an increase in online shopping, especially in the business-to-consumer (B2C) sector. The advantages of the internet are the primary cause of the internet shopping industry's quick development, while there are other factors as well. To begin with, consumers can enjoy several types of ease when using the internet. It goes without saying that customers no longer need to go out in search of product information because the internet allows them to search through web sites and compare prices across each site to find the best deal. In addition, consumers may utilize products on the internet more effectively and efficiently than they can through traditional channels, providing for their demands. Customers can obtain information linked to consumption more quickly by using various search engines. These engines provide information in the form of thorough written descriptions, visuals, and sounds, all of which aid in the process of helping customers choose the best product choice. Nonetheless, there are some hazards associated with online buying for consumers, including those related to payment security and customer support.

The development of internet technology has made online payments a common method for making purchases from the internet. Online payments boost consumer efficiency while lowering internet security due to their virtual nature.

The terms "web based business" and "electronic trade" describe a kind of business transactions where data is transferred via the internet. By definition, it encompasses a wide range of commercial endeavors that leverage the internet as a medium for information sharing, money transfers, or both.

A. HISTORY OF E-COMMERCE: The invention of the telephone at the turn of the 20th century marked the beginning of e-commerce. The term "e-commerce" refers to the process of connecting business communities and digitizing company information. Electronic Data Interchange, or EDI, is widely recognized as the origin of e-commerce. Big businesses have been funding the advancement of EDI since the 1960s. The 1980s were the only decade in which it became widely accepted. The meaning of internet commerce has changed during the past thirty years. The electronic facilitation of economic transactions via the use of technologies like Electronic Data

Interchange (EDI) and Electronic Funds Transfer (EFT) was the original definition of electronic commerce. These two technologies, which were first launched in the late 1970s, enable businesses to electronically share business documents like purchase orders and invoices.

B. DEFINING THE PROBLEM

E-commerce is seen as a huge opportunity with a high success rate in India. There are a lot of big and small enterprises in the market. Do they have a strong probability of succeeding and will they actually be in the market for a long time? What expectations do customers have of them, and are they ready to satisfy them? Finding out how the E-commerce platform influences customers' mindsets is the aim of the study.

C. RESEARCH GOALS

1. To better comprehend the state and tendencies of e-commerce today.
2. Identify the elements that affect consumers' visits to e-commerce websites.
3. To find out if the customer is familiar with online shopping.
4. To look into how e-commerce websites affect consumers' perceptions

D. EXPLANATION OF THE PROBLEM

We experienced many problems when we first started making purchases online. Millions of customers worldwide are now able to access websites like Amazon, Flipkart, and other online shopping apps. Consumers experience a range of problems, such as:

- i) Defective items erode customers' mental health; ii) Prolonged delivery delays are another problem that ruins consumers' peace of mind. iii) A customer's address might not have certain products or goods that they need. iv) A customer's address might not have certain items or products that they need available.

REVIEW OF LITERATURE

Research on the role and impact of e-commerce in business and trade was carried out by Dr. Prafullkumar N. Tayade in March 2020. A fundamental change in business is represented by e-commerce. This "disruptive" innovation is fundamentally changing the way that business is done. A corporation or individual can do business over a computer network, most frequently the internet, using electronic commerce, which is a type of business model or a subset of a model. E-commerce is the exchange of money or data using an electronic network, usually the Internet, for the buying and selling of goods and services. These can be consumer-to-business, consumer-to-consumer, business-to-business, or business-to-business exchanges. In the context of online shopping, the transactional processes that take place are referred to as retail. E-commerce is conducted through email, among other means.

According to Drs. GAGANDEEP K NAGRA and R. GOPAL's research on factors influencing consumers' online shopping behavior, food items account for over 55% of Indian consumers' total consumption expenditures (June 2013). No food spending has increased at a greater rate than food expenses by 22%, per an ORG poll. Customers decide what to buy, when to buy it, where to buy it, from whom to buy it, and how much to spend.

However, there are a lot of variations in digital buying that have been noted because of the various characteristics of customers as well as the kinds of goods and services available. Amazon and eBay have elevated the idea of digital purchasing to unprecedented levels, and Pizza Hut has now opened an online pizza restaurant.

Digital retail sales have been booming since 1996. Online shoppers are typically better educated than brick and mortar stores. Purchasing online makes more sense if you are more computer literate. According to Taher Roshandel Arbatani and Alireza Mohammadpour, e-commerce opens up economies and improves national and international communication by modifying business practices and creating new marketplaces. A new purchase method that offers several advantages is e-shopping.

OVERVIEW OF THE STUDY

The term "digital marketing" encompasses a wide range of activities including targeted, quantifiable, and interactive promotion of goods and services via digital technology in order to attract, convert, and retain leads. This study looks at how digital marketing affects e-commerce sites, which helps to understand the variables that are important in the digital environment today, as well as promotional strategies and increasing awareness of e-commerce sites. The study explains the following points:

A. COMPARISON BETWEEN ONLINE AND OFFLINE STORES:

Despite the rapid development of online shopping, particularly in the consumer goods business, traditional and online consumer purchasing still differ significantly. In the Indian consumer goods sector, online sales accounted for a very small percentage of total sales. Numerous factors could contribute to that, but the primary one is the benefits found in both traditional brick-and-mortar stores and the internet marketplace; each has unique features. For instance, traditional sellers offer easier parking and shopping experiences, let customers inspect and read product reviews before making a purchase, and offer more direct customer support, electronically exchange business documents including invoices and purchase orders. However, compared to an internet

business, a traditional store sells fewer things at a greater cost of sale. By contrast, the weaknesses of the online store also appear to be the benefits of the traditional store, and by comparison, we can discover that the limitations of the traditional store are more likely to be the advantages of the online store. The history of the internet and online purchasing makes it evident that many businesses employ e-commerce because of the advantages of web selling over traditional brick-and-mortar stores and the rapid advancement of technology. Additionally, the growth in personal usage has been a major factor in the development of online commerce. Very little research have looked into the effects of online purchasing on customer behavior. Previous research has been more marker-focused, addressing issues like how to create an online marketing channel that is more effective than a conventional offline one. As a result, this study will draw on earlier research from literature reviews and concentrate on the effects of online shopping on consumer behavior to develop a thorough analytical framework that demonstrates the critical component of business and marketing to meeting customer needs and a thorough understanding of online consumer behavior as a guide for any e-commerce company developing marketing strategies.

B. INTERNET'S IMPACT ON CONSUMER BEHAVIOR

Both internal and external factors might have an impact on consumer behavior. Internal elements typically originate from the consumer's thoughts, whilst external factors are derived from the surrounding circumstances. Numerous things may impact the behavior of consumers. Warner classified the external effects into five categories: marketing, culture, subcultures, reference groups, technology and public policy, and demographics and socioeconomics. Many psychological processes, such as attitudes, learning, perception, motivation, self-image, and semiotics, are among the internal influences (Malcolm). Besides these, Sheth (1983) proposed that there are two categories of customer motives when they shop: functional and non-functional. The primary functional motivations are time, location, and customer demands. Examples of these include time-saving one-stop shopping, the environment of the shopping center, which includes free parking, lower prices, and a large selection of products. The non-functional factors, like the store's brand name, are more closely associated with culture or societal ideals. Purchasing necessities is the only goal of conventional purchasing for the consumer. The seller's advertising and marketing will have an impact on this behavior since it draws customers in and encourages them to make purchases. A portion of the new products will then be used at home.

i) Internet Shopping :

While there are many similarities between online and traditional shopping, there are also some differences. For example, while traditional shopping offers customers a more comfortable shopping environment and higher-quality products, online shopping offers convenience and interactive services (Jarvanpaa and Todd, 1997). (Lee and Chung, 2000). Both traditional and online shopping malls aim to enhance their services by exchanging knowledge. Conventional shopping malls aim to improve convenience by adding more parking spaces, counters, and locations near residential areas. Meanwhile, online shopping malls use virtual reality (Lee, 2001) and 3D techniques (Miller, 2000) to enhance their product presentation. Online security, privacy, and trust will be covered in the sections that follow. First, the research will describe the nature of online buying. Next, an e-commerce website will be mentioned to help understand its essence. The background information and conversations about online buying that follow will serve to establish the groundwork for future scholarly investigations.

ii) Convenience :

Since most researchers and customers agree that the primary reason for shopping online is convenience, the internet offers a great deal of convenience for consumers (Wolhandler, 1999). Owing to the feature of the Internet that enables customers to shop online whenever and wherever they want, including from home or the office, some time-pressed consumers turn to the Internet in order to save time when searching for products in physical stores. The Internet also provides a number of useful time and money-saving options. For instance, there are no transportation expenses because customers do not need to visit the actual store.

iii) Technology :

Technology advancement, which is crucial to the growth of online commerce, is primarily responsible for the convenience offered by the Internet. Over the past ten years, businesses have come to understand how new technologies could have a significant impact on online purchasing. As a result, many significant technologies, such as virtual reality and 3D printing, have been utilized by businesses to gain significant competitive advantages. Better product information is now available online thanks to information technology, which aids in consumers' decision-making. The expansion of the Internet and the rate at which it is growing have both accelerated over the past ten years thanks to a wide range of polls regarding Internet use. The number of Internet users in Great Britain has climbed to 22.7 million, accounting for 48.4% of the adult population, according to BMRB International (2004) and GVU's WWW 9th User Surveys (1998). Approximately 53% of Internet users said that their primary usage of the Web is for shopping. Additionally, the China Internet Network Information Centre (CNNIC) published a statistical study on the development of the Internet in China in July 2006. According

to this survey, about one-fourth of Internet users have ever done any online shopping, with 30 million users regularly making purchases online. Given that both studies indicate an increasing number of Internet users prefer to make their purchases online, the security of online payments will undoubtedly play a major role in impact online retail sales.

iv) Customer Trust in Online Shopping :

Today's digital economy is changing, and one of the most important aspects is consumer trust in online shopping. Consumers are becoming more and more dependent on e-commerce platforms for their buying needs as online transactions continue to dominate retail. Notwithstanding, a number of modern elements impact trust in these sites. Internet shoppers' propensity to shop online is greatly impacted by the persistent worries about cybersecurity, data privacy, and the possibility of online fraud. Some important factors that determine trust are the standing of internet retailers, the efficacy of security measures put in place, and the openness of data handling procedures. Consumers rely on the experiences and opinions of their peers, therefore the rise of user evaluations and social proof on internet platforms also plays a role in building trust. Nowadays, companies must prioritize strong cybersecurity, open communication, and proactive attempts to resolve customer complaints in order to manage these trust-related dynamics. Maintaining the expansion of e-commerce and creating great experiences for customers in the digital sphere depend heavily on the building and upkeep of trust in online buying.

RESEARCH METHODOLOGY

Using secondary data analysis, research techniques for examining how e-commerce affects customer purchasing decisions entails a systematic approach to data gathering, processing, and interpretation. Using already-existing data sources eliminates the requirement for primary data collection and permits a thorough analysis of the topic. The main goal of this study is to comprehend how customer purchasing decisions are influenced by the emergence of e-commerce platforms. The study gives a comprehensive analysis of pertinent literature in order to develop a theoretical framework and pinpoint the main factors influencing customer behavior in the context of e-commerce.

Accurate academic journals, market reports, and industry publications had provided the secondary data for this study. Research on customer trust in e-commerce, the effects of digital marketing, online purchasing patterns, and how technology is influencing the e-commerce industry has been covered in the review of the literature. The use of secondary data permits a thorough investigation of the subject and a thorough examination of the different elements affecting consumer purchasing decisions. Furthermore, the study will investigate any changes in customer preferences and behaviors that might have resulted from the growing popularity of online shopping.

A systematic and thematic method has been used to analyze the secondary data. The gathered data is arranged in accordance with major topics, and correlations between various studies will be found. To find patterns, correlations, and discrepancies in the data, comparative analysis has been done. The results is analyzed in light of the body of current research, offering perceptions into the complex interplay between consumer purchasing patterns and e-commerce.

In summary, this study's research technique looks into how e-commerce affects customer purchasing behavior by combining a detailed literature review with secondary data analysis. This method leverages prior knowledge and insights from multiple sources to enable a thorough investigation of the subject.

CONCLUSION

This study primarily focuses on Internet-related issues and investigates those that influence consumers' online shopping behaviors. It begins with the state of Internet development as it stands today and goes on to discuss the history of marketing as representation and how it differs from traditional retail establishments to illustrate how Internet purchasing has evolved since e-commerce gained traction. Three primary areas have been covered in this literature review chapter: online and traditional consumer behavior, as well as Internet shopping. Every section begins with the premise and then moves on to discuss other points of view. The study focuses on online consumer behavior, including background information, buying habits, and online security, privacy, trust, and trustworthiness, as well as the characteristics of online shopping and e-commerce websites. These elements were investigated in order to determine how they affected online customer behavior. Furthermore, earlier studies were consulted in order to aid in a more thorough comprehension. In order to pinpoint the possible causes, the customer's decision-making process for the purchase was also looked at. The most crucial element in assisting clients in locating the right goods or services for their requirements is information searching. In order to maximize the effectiveness of information search, online retailers must thus upgrade and improve the information supporting their products, such as by offering highly detailed product information and utilizing internal search engines. Customers give the reputation of the e-commerce website and the payment security during the evaluation stage more consideration than they do at the purchasing stage. During the post-purchase phase, the most critical aspect is after-services. Online retailers should be particularly aware of the Internet-

related aspects that either facilitate or hinder online consumer behavior. By using the right marketing messages, they may assist customers in completing purchases and enhance their overall performance.

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