



## Consumer decision-making towards digital shopping & its implications on business sales strategies

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### Abstract

The present study is an attempt to analyse the consumer behaviour towards online shopping in the district of Chennai. The methodology adopted in this study is a non-doctrinal study in which the information is collected from the respondents through questionnaire. The results indicate that online shopping has become popular among the younger generation which constitute between the age group of 18-20 years. Findings depicted that when a consumer decided to purchase online, they are motivated by multiple factors like ease of purchasing or convenient, time saving, price effective, anywhere-anytime shopping, cost effective and broad categories availability. 90% of consumers stated that online shopping as a mode of convenient method which results in now consumers no need to visit the markets and shops physically. But still some of the factors are there which are to be addressed as a big hindrance to online shopping. It is because consumers cannot physically touch, test, try, and see the products so when once an order is placed, there is a chance of getting a wrong product. Sometimes even false ratings and reviews misguides consumer which results in the arrival of defective goods. The study in overall concludes with the purchasing pattern of a consumer and the various factors that tend to affect the buying behaviour towards online shopping.

**Keywords:** Online shopping, online reviews, defective goods, and consumer behaviour

### Introduction

Online shopping is a buzzword in the modern tech-based business world. Online shopping is a form of e-commerce which permits the consumers to directly purchase goods and services from a seller by the usage of internet. The behaviour of consumer buying the goods and services through online mode is a process of business. Many companies are providing various online shopping facilities to the customers with the aim of reducing marketing cost, that will lead to reduce the price of their products in order to stay forward in very highly competitive markets. Thus, consumer behaviour towards online shopping has undergone a significant transformation in recent years, driven by advancement in technologies, changes in shopping habits, and the convenience and accessibility offered by online sellers. One of the fundamental factors influencing consumer behaviour in online shopping is convenience whereas Price transparency is another significant factor. Price comparison websites and various tools further empower consumers in making informed choices. Product reviews and ratings play a pivotal role in the behaviour of consumers. Shoppers are mostly expected to rely on the experience and opinions of other customers while purchasing the products. The democratization of information allows consumers to make informed decisions, resulting in a reliance on these reviews to a great extent. Trust is a critical element in online shopping. Security measures are essential in influencing consumer behaviour. To gain the trust of customers, e-commerce platforms must prioritize data protection, secure payment gateways, and user privacy. Therefore, it is the prime duty of e-commerce companies to invest in robust cybersecurity measures and to foster trust and positively impact consumer behaviour. The rise of online shopping has led to a significant shift in the retail landscape scenario. Traditional, brick and mortar stores have had adapted themselves to the modern e-

commerce era to remain competitive. Many companies have today incorporated online sales channels to reach a wider audience. Another great advancement is supply chain and logistics which enables faster shipping and more efficient inventory management. And also, the concept of “retail therapy” also extends to online shopping. Many customers engage in online shopping as a means of stress and depression relief or to boost their mood. The ease with which one can make impulsive purchases online contributes to this behaviour, and retailers often capitalize on this by offering limited -time promotions and deals. Despite these benefits there are certain circumstances where a consumer faces some challenges. Consumers are increasingly concerned about the privacy and security of their personal and financial transaction while shopping online. High profile data breaches and cyber-attacks have raised awareness regarding these issues. Returning products purchased online can be a more complex procedure compared to returning items bought in physical stores. Concerns about the product quality and returns policies can have a major impact on the behaviour of a consumer. However, understanding online shopping merely from the consumer’s perspective is insufficient, as the true value of such analysis lies in its application toward formulating effective and sustainable business sales strategies. In this context, the present study extends beyond identifying online shopping patterns and seeks to examine how such patterns can inform business strategies aimed at improving sales effectiveness and consumer satisfaction. Here, the current research goes beyond the identification of online shopping patterns and attempts to analyze how the latter may be used to develop business strategies that would enhance the level of sales efficiency and consumer satisfaction. Hence, this research paper delves and focus on various aspects of consumer behaviour in the context of shopping in online platform and the factors influencing online purchasing

decisions, the impact of online reviews, and the role of trust and security ecommerce in order to secure long term consumer satisfaction and to adopt increased sales strategies.

### Review of literature

Kuester, Sabine (2012) <sup>[1]</sup> in his study he considers consumer behaviour as the study of individuals, groups, process and organization as they use to secure, select, and arrange of experience, products, services or ideas to satisfy the consumer and society. It balances components from sociology, psychology, management and economics. Management and economics. His findings depicted that when a consumer decided to purchase online, they are motivated by multiple factors like ease of purchasing, or convenient, time saving, price effective, anytime-anywhere purchasing, cost effective, and broad categories availability etc. And also, apart from this the consumer behaviour is affected by a host of variables, ranging from personal motivations and needs etc.

Petrovic Dejan (2006) in his study on analysis of consumer behaviour on online shopping explained that the most appropriate behavioural appearances of online customers and inspect the ways they find, associate, and estimate product information. The objective of this report is to transform the results of consumer behaviour into a set of execution activities at strategic and technical level. His conclusions reveal the indication that the buying pattern of a consumer towards online shopping is influenced by a wide range of characteristics, usage pattern, and factors including but not limited to age, gender, price, convenience, satisfaction, frequency, type of product, money spent, accurate level of satisfaction etc.

Shun & Yunjie (2006) <sup>[3]</sup> in their study revealed that there are different kinds of product, which are additional possible to be sold online such as book, software, electronics and music. According to the new study on consumer behaviour, there are four different customer groups with diverse purposes and motivation. He describes the buying pattern of consumers as the actions and decision processes who purchase goods and services for personal consumption when required. A consumer's buying behavior is influenced by various cultural, social, and personal factors. Culture, subculture and social class are particularly important influences on consumer buying behaviour. Culture is the fundamental determinant of a person's wants and behaviour. Anita Desai (2003) <sup>[4]</sup> in her study she considers that e-tailing is the practice of selling retail goods on the internet which in turn explores that e-marketing is the reduced version of

"Electronic retailing" which basically creates business to customer transaction. She strongly suggests that assessing customer satisfaction and loyalty is mandatory from the side of the seller. The seller should possess the quality of adapting to changing consumer trends and needs, and strategizing businesses for growth as well as for the expansion of the business. She states that the buying pattern of a consumer also depends on effective marketing and promotion.

Tractinsky and vitale (2000) explore how consumers professed store size and status inspire their trust in risk perception, attitudes, and willingness to purchase from the specific store. They realize that there is a positive correlation between customer belief and internet stores.

They also firmly believe that there are four factors that determine the characteristics of consumer behaviour which includes personal, psychological, social and cultural. All factors have a major impact on a consumer's behaviour and the characteristics that define a customer will change as her/his life changes. In short, they conclude that consumers are active decision makers.

Li, H, Kuo and Russell, (1999) in his study found that consumers who are buying from internet stores more frequently and more suitability oriented and less practice concerned. These customers respect suitability throughout shopping as the most significant factor in buying decisions since they have time constrained and do not notice purchasing products without touching or sensitivity. And also, the pattern of consumer behaviour, in its broadest sense, is concerned with understanding both how purchase decisions are made and how products or services are consumed or experienced. They decide what to purchase, often based on their disposable income or budget.

### Research gap

While existing literature have delved into the aspects of online shopping behaviour, a distinct research gap exists in understanding the various factors such as trust, price, quality etc. Which influences consumer choices and also translating online shopping patterns into actionable business sales strategies. Existing literature often offers generalized insights, lacking the understanding of specific challenges faced by the consumers. This research seeks to address these gaps by providing a detailed exploration of the various factors which influences consumer behaviour, product preferences, decision-making, and satisfaction levels that can assist businesses in improving sales performance

### Statement of the Problem

The above discovered research gap prompts the formulation of a crucial problem statement. This study aims to bridge these gaps by conducting an in-depth examination of the multifaceted factors influencing consumer behaviour in online shopping and transforming it into effective sales strategies. Specifically, the study will explore the nuanced interplay of trust, price, quality, and other determinants that shape consumer choices. Additionally, it aims to address the lack of specificity in understanding the challenges faced by online shoppers. Furthermore, the research recognizes the urgency of studying the contemporary online shopping landscape, considering the escalating use of mobile devices and the evolving preferences of consumers. The overarching problem is to comprehensively understand and analyse the factors influencing consumer choices and the challenges faced by online shoppers in the current, rapidly changing online shopping environment. The study also aims to shed light on the impact of online reviews and ratings, contributing valuable insights to fill the identified research gap.

### Objectives

1. To examine the impact of online reviews and rating on consumers while making online purchases.
2. To analyse online shopping patterns to identify strategic approaches that businesses can adopt to enhance sales performance and consumer satisfaction.

### Methodology

This study employs a non-doctrinal, descriptive research design to explore the intricacies of consumer behaviour

towards online shopping. The primary data is collected through a survey method with the help of google forms, with a sample size of 120 respondents of diverse demographics. A structured questionnaire is crafted to elicit quantitative responses regarding consumer preferences, decision making factors and challenges while doing the online shopping. Statistical tools such as averages and percentages are employed for quantitative analysis and to determine the trends in the data. And complementary qualitative insights are derived from secondary sources including literature review and articles from the journals. These sources contribute theoretical foundation, context and comparative perspectives to enrich the analysis. On the whole, this research design is a blend of both primary and secondary data. The carefully chosen sample size aims to provide a holistic exploration of consumer behaviour towards online shopping.

## Result and Discussion

**Table 1:** Demographic Characteristics of the respondents (N=120)

S.N	Particulars	Category	No. of respondents	Percentage
1.	Gender	Male	43	35.8
		Female	77	64.2
		Total	120	100
2.	Age	Below 18 years	54	45
		18-22 years	44	36.7
		23-35 years	12	10
		Above 35 years	10	8.3
		Total	120	100
3.	Educational Qualification	SSLC	17	14.1
		HSC	62	51.7
		Graduate	29	24.2
		Post graduate	6	5
		Others	6	5
		Total	120	100
4.	Occupation	Unemployed	7	5.8
		Part time Job	62	1.7
		Full time job	17	14.1
		Student	92	76.7
		Others	2	1.7
		Total	120	100
5.	Monthly Income	Less than Rs.10,000	2	1.7
		Rs.10,000-Rs.20,000	5	4.2
		Rs.20,001-Rs.30,000	6	5
		Above Rs.30,000	7	5.8
		Student/ No regular income	100	83.3
		Total	120	100
6.	Marital Status	Single	82	68.3
		Married	35	29.2
		Divorced	1	0.8
		Widowed	2	1.7
		Total	120	100

Source: Primary Data

From the above table it is found that majority of the respondents are female (64.2%) whereas only (35.8%) of the respondents are male. And it is also observed that most of them are below 18 years (45%) while only (8.3%) of the respondents are above 35 years. A major part of the

respondents holds the qualification of HSC (51.7%) followed by graduates (24.2%). And it is also found that most of the respondents are students (76.7%) whereas, only (14.2%) of the respondents do full time job. Most of the respondents (83.3%) have regular income while, only few of the respondents (1.7%) of the respondents have income less than Rs.10,000. And it is observed majority of the respondents (68.3%) are single and (29.2%) of them are married.

While, only few of the respondents (0.8%) are divorced.

**Table 2:** Online Shopping Behaviour

S/N	Particulars	No. of respondents	Percentage
1.	Often	15	12.5
2.	Sometimes	76	63.3
3.	Rarely	27	22.5
4.	Never	2	1.7
	Total	120	100

Source: Primary data

From the above table it is found that majority of the respondents (63.3%) do online shopping sometimes. A notable portion, (22.5%) of the respondents engage in online shopping rarely. But a smaller percentage of the respondents (12.5%) often engage in online shopping, while only few of the respondents (1.7%) reported that they have never done online shopping.

**Table 3:** Types of Products Preferred

S/N	Particulars	No. of respondents	Percentage
1.	Electronics	42	35
2.	Clothing and Fashion	78	65
3.	Groceries	32	26.7
4.	Home goods and Furniture	23	19.2
5.	Beauty and personal care	50	41.7
6.	Others	14	11.7
	Total	120	100

Source: Primary data

From the above table it is found that Clothing and fashion (65%) are the most preferred product, followed by Beauty and personal care are preferred by (41.7%) of them and Groceries are preferred by (26.7%) of the respondents. Whereas, least preferred products are home goods and furniture constituting (19.2%) of the respondents.

**Table 4:** Prompts for online shopping

S/N	Particulars	No. of respondents	Percentage
1.	Brand	39	32.5
2.	Price	85	70.8
3.	Quality	49	40.8
4.	Design	40	33.3
5.	Service	28	23.3

Source: Primary data

From the above table it is found that Price (70.8%) is the most significant factor which prompts to do online shopping, followed by Quality (40.8%) which is also significant and design (33.3%) which emphasizes the visual appeal of the products. And Brand (32.5%) plays a key role which prompts to do online shopping. While Service (23.3%) is the least significant factor which prompts to shop the desired product.

**Table 5: Buying Patterns**

S/N	Particulars	No. of respondents	Percentage
1.	Search offline and buy online	14	11.7
2.	Search online and buy online	86	71.7
3.	Search online and buy offline	20	16.7
	Total	120	100

Source: Primary data

From the above table it is found that the buying patterns of most of the respondents (71.7%) are to search online and buy online. Moreover (16.7%) of them search online and buy offline. A notable portion of the respondents (11.7%) adopt the traditional method to search offline and buy online.

**Table 6: Reasons for online shopping**

S/N	Particulars	No. of respondents	Percentage
1.	Easy payment	23	19.2
2.	Low price	66	55
3.	Wide range of products	72	60
4.	No travel to shop	55	45.8

Source: Primary data

From the above table it is found that wide range of products (60%) is the major reason for doing online shopping. Low prices significantly influence (55%) of the respondents while, (45.8%) take into account the convenience of not having to travel to physical stores. But Easy payment (19.2%) is the minor reason for doing online shopping.

**Table 7: Payment methods**

S/N	Particulars	No. of respondents	Percentage
1.	Credit/Debit Card	8	6.7
2.	Cash on delivery	88	73.3
3.	Internet Banking	21	17.5
4.	E-Wallet	3	2.5
	Total	120	100

Source: Primary data

From the above table it is found that Cash on delivery (73.3%) is the most prominent method of payment during online shopping. Internet banking is used by a relatively small percentage, constituting (17.5%) of the respondents, while Credit/Debit cards are utilized by (6.7%) of the respondents. But E Wallet (2.5%) is the least prominent preference method for payment during online shopping.

**Table 8: Online shopping websites**

S/N	Particulars	No. of respondents	Percentage
1.	Amazon	90	75
2.	Flipkart	79	65.8
3.	Meesho	49	40.8
4.	Myntra	35	29.2
5.	Ajio	27	22.5
6.	Others	11	9.2

Source: Primary data

From the above table it is found that Amazon (75%) is the most widely used online shopping website, followed by Flipkart (65.8%), Meesho (40.8) and Myntra (29.2%) are the websites which are mainly used for online shopping. Whereas Ajio (22.5%) is the least used online shopping websites.

**Table 9: Monthly Spending**

S/N	Particulars	No. of respondents	Percentage
1.	Below Rs.1000	71	59.2
2.	Rs.1,001-5,000	44	36.7
3.	Rs.5,001-10,000	3	2.5
4.	Above Rs.10,000	2	1.6
	Total	120	100

Source: Primary data

From the above table it is found that most of the respondents (59.2%) spend below Rs.1,000 monthly on online shopping. A significant percentage of the respondents (36.7%) spend between the range of Rs.1,001-5000 monthly, whereas (2.5%) of the respondents spend between the range of Rs.5001-10,000. While, only few of the respondents (1.6%) spend above Rs.10,000 monthly for online shopping.

**Table 10: Problems faced**

S/N	Particulars	No. of respondents	Percentage
1.	Received defective products	53	44.2
2.	Received duplicate products	31	25.8
3.	No security/ Privacy	13	10.8
4.	Received different products	34	28.3

Source: Primary data

From the above table it is found that majority of the respondents faced problems by receiving defective products (44.2%), followed by (28.3%) of them received different products and (25.8%) of the respondents received duplicate products. But only few of the respondents (10.8%) faced problem since there is no security/ privacy.

**Table 11: Importance of ratings**

S/N	Particulars	No. of respondents	Percentage
1.	Not important	15	12.5
2.	Somewhat important	36	30
3.	Important	36	30
4.	Very important	33	27.5

Source: Primary data

From the above table it is found that majority of the respondents (30%) consider online ratings to be somewhat important. But (30%) of them consider it as important, whereas (27.5%) of the respondents consider online ratings are not very much important. While few of the respondents (12.5%) express their views that online ratings are not important

**Table 12: Satisfaction with Policies**

S/N	Particulars	No. of respondents	Percentage
1.	Very dissatisfied	2	1.7
2.	Dissatisfied	12	10.0
3.	Neutral	54	45
4.	Satisfied	40	33.3
5.	Very Satisfied	12	10
	Total	120	100

Source: Primary data

From the above table it is found that only few of the respondents (1.7%) are very dissatisfied, while (10%) of the respondent's express dissatisfaction towards the refund and return policies of the online retailers. The majority of the respondents (45%) falls into the neutral category.

While, a significant percentage of the respondents (33.3%) are satisfied and (10%) of the respondents are very much satisfied with the refund and return policies of the online retailers.

### Limitations

The study is limited by the sample size of 120 respondents and the findings may not be fully representatives of the diverse population as it is conducted within the Chennai district. The survey might not cover the complete context of consumer decision making and it is limited as it is quantitative. So qualitative methods could provide deeper insights about consumer behaviour towards online shopping. And the research does not account for potential changes in consumer behaviour towards online shopping over time as they may get influenced by the current market trends.

### Suggestions

Based on the analysis of online shopping tendencies, it is implied that online companies can implement consumer-oriented selling approaches that are not based on assumptions but actual evidence. Companies are supposed to proactively apply information on purchasing frequency, product tastes, sensitivity to price and feedback systems to promote their sales strategies. The focus should be on the improvement of the user experience and the openness of pricing, as well as the measures of trust development including the credibility of customer reviews and the availability of the safe payment systems, as these factors play a crucial role in the process of making a purchase. Moreover, it is recommended that the companies should tailor marketing campaigns and promotional deals according to the shopping behavior to increase the rate of conversion and retention. A combination of these understandings into strategic sales planning by online businesses allows the organization to have better sales and consumer satisfaction in the long-term.

### Conclusion

Consumer behaviour towards online shopping has undergone a remarkable transformation in recent years. The convenience, vast product selection, competitive pricing, and technological advancements have driven consumers to embrace e-commerce. However, this shift in behaviour has also presented challenges, such as privacy concerns, quality issues, and the digital insecurity etc. this evolution has a profound impact on the retail industry in which traditional stores have to adapt or risk obsolescence. Personalization, data utilization and efficient distributive logistics have become a vital and crucial element of success in the online market platform. The best quality offered and discounted prices motivates the consumer to shop in trusted online platforms. Also understanding the intricacies of consumer behaviour in online shopping is imperative for businesses which seek thrive in the digital landscape. By addressing consumer concerns, delivering exceptional consumer experiences and adapting to the new technology according to changing preferences, retailers and e-marketing owners can navigate this new era and build a long-lasting relationship with online shoppers. As technology continues to reach its advancement and consumer expectations evolve, the study of consumer behaviour in online shopping remains to be a dynamic and critical aspect of e-marketing. Finally, the discussion supports the conclusion that the interpretation

of market reactions can be regarded as an important factor in the successful business strategy that allows narrowing the gap between consumer information and viable sales optimization.

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