

Consumer Behaviour and Spending Patterns in Online Shopping

Archana Pandey

Assistant Professor, Department of Economics, Rajkiya Mahila Mahavidyalaya, Budaun (MJP Rohilkhand University, Bareilly) Uttar Pradesh

Abstract

In recent world the shopping behaviour and spending patterns of consumer has been changed rapidly due to the expansion of e-commerce especially after the pandemic. E-commerce has transformed this significantly. The present study is an attempt to explore the key factors that influence the preference of consumer and their spending habits in e-commerce shopping platform which mainly focuses on demographic and socio-economic dimensions. The study examines the variations in spending patterns across different income levels, education levels and age groups. The study also highlights the role of advertisements and social media in shaping the purchasing decisions of the respondents. Both primary and secondary data is adopted to fulfil this purpose and valuable insights in the digital retail landscape.

Keywords: Consumer behaviour, E-commerce, Consumer preferences

1.0 Introduction

Online shopping is a new experience for consumer specially in this twenty first century when there is no necessity to go offline for shopping but it is available as e-commerce sights while using internet. In last few years there's been a rapid evolution in online consumer behaviour due to the drastic changes as a result of COVID-19 pandemic ⁽¹⁾. This new concept of shopping has emerged as a dominant retail platform, and it is significantly influenced by various factors which are helpful in shaping consumer preferences. The main feature of this type of shopping is that here consumers are in demanding position but from the supply side there is no commanding positions by the suppliers ⁽²⁾. This directly purchase method of goods and services over the internet was began in 1979 when a computer is connected to television by Michael Aldrich and the main focus was on enabling online transactions and in later 90s major online retailers were launched ⁽³⁾.

Convenience, none time and geographical constraints are some of the key drivers that makes online shopping more popular among consumers. The priorities of the consumers in this platform of shopping have heavily centered on methods of cost cut whether that is either favouring cheaper product, free shipping item selection or best deal for product after comparing them ⁽⁴⁾. In this platform several varieties of products and brands are available which diversify the need and choice of consumer. This online platform also attracts the consumers who are budget-conscious through providing the price sensitivity for them (i.e., flash sales, discounts, special deals etc.) and additionally this also provide flexible and secure digital payments to them which increase their confidence. The popularity and prioritization of these platforms is due to the crucial determinants such as trust and reliability. The modern technology and user-friendly

environment specially through artificial intelligence which recommends consumer individually and encourage them for purchasing.

Online consumer behaviour refers to action and patterns exhibit by consumers when they interact online ecommerce platforms which encompasses a wide range of activities ⁽⁵⁾ and actions and decisions made by them when they purchase products or avail services through these platforms ⁽⁶⁾. One of the key variables which are enablers in helping the consumer behaviour towards online shopping is the frequency of purchases made by them. Preferred product categories are another variable to understand their behaviour towards this new platform of purchasing. Their average monthly spending on this platform also provides suitable insights to understand the purchasing power of consumer, their constraints regarding budget and the priorities they make for shopping. The motivations regarding online shopping over traditional shopping generally dependable on preferences and circumstances of consumer as individual. This economic analysis of consumer behaviour and their spending patterns through online shopping shed light on evolving dynamics of digital retail landscape. This behaviour is done by examining online purchasing frequency by consumers, categories they prefer to buy, how much they spend average in a month, and what were the key motivations which influenced for choosing this platform of shopping over the traditional one.

2.0 Review of Literature

Kulshreshtha & Modi (2017) ⁽⁷⁾ focused their study on trends and insights of consumer behaviour on online shopping and concluded that this type of shopping has brought significant changes in consumer behaviour which were driven by advancement of technology, socio-cultural influence, and economic factors. Artificial Intelligence have transformed the online shopping experience by making it convenient, personalised, and immersive for the consumers. Influence of social media etc. shape consumer attitude and behaviours in online shopping. They also conclude that the future of online shopping holds exciting possibilities.

Juyal (2018) ⁽⁸⁾ concluded that consumers' issues were a significant indicator for future online purchase intention and behaviour. In his research he concludes that increase in time spent online purchase is also enabler to increase the online buying. The internet customer is not a homogeneous group but it is a variety of individuals which has different attitudes and intentions for online shopping.

Khanna et.al. (2019) ⁽⁹⁾ in their study which was based on factor analysis about the consumers decision towards online shopping and concluded that six factors that impact online purchasing decision are security, privacy and convenience, product related factors and personal factors are another and finally administration related variable are among them. They also found that comfort factor, site related, administration related, item related factors have a critical effect on web-based purchasing decision of the consumers.

Venkatesh & Thiruchelvam (2020) ⁽¹⁰⁾ in their study in consumer buying behaviour in Chennai city conclude in their finding that there are numerous merchandises to be had withinside the market and numerous people opt to buy merchandise through online due to the availability of items at the same time. They get what they want without any warfare and that they get it only a faucet ahead.

Thakur (2021) ⁽¹¹⁾ conducted her study on online trends in consumer shopping behaviour and concluded that consumer make lesser decision in purchasing lower cost or daily use product. She found that consumers have shifted from offline to online purchasing significantly which is attributed to ease of shopping, availability of various brands, colour and sizes. Time saving is another factor which influence

consumer for online shopping. But there are some factors which act as restraints or challenges that faced by the consumers they face.

Verma and Khanna (2022) ⁽¹²⁾ finds that online buying has a very promising future due to the improving attitude towards online shopping. They can shop anytime and anywhere with simple and secure payment options. Even there are issues related to adopt online shopping model, but these challenges overcome due to customer support and feedback. They also suggest for future academics to concentrate on various facets of online purchasing.

Siddiqui & Mehrotra (2022) ⁽¹³⁾ finally concluded that people strongly prefer online shopping over offline. Inter connectivity, slow delivery in hilly areas, higher delivery charges and lesser awareness are the major issues that hinder their motivation towards online purchasing of products specially in hilly regions in compare to the plain regions. They suggest that fine solution can convert more buyers to potential buyers.

Dixit et.al. (2023) ⁽¹⁴⁾ suggested in their study that demographic factors have substantial impact on buying behaviour of consumer. Their results also suggest that preference towards e-commerce platforms remain uniform across various zones. They suggest that study at national level should give better insights for online shopping patterns of the consumers.

Liu (2024) ⁽¹⁵⁾ analysed the key economic factors in consumer decision and purchase decisions in online markets and find that the respond of enterprise to customers and other economic factors affects the decision making of customers time-to-time. He suggests that the enterprise must restructure strategy to serve customers, they also must optimize the prices continuously and differentiate their strategies to serve them better and meet their needs towards online shopping.

Kanaujia & Singh (2024) ⁽¹⁶⁾ who made their study on effect of GST on consumer behaviour where they studied the change in consumption of consumer by GST implementation and found that attitude, subjective standards, and perceived behavioural control drive GST taxpayer compliance in India was affected by taxation system and behavioural control. They also find that this structure of tax system has simplified and unified the tax system but at the same time its effects on different sectors and consumer groups are complex and multifaceted.

3.0 Objectives of the Study

- To study the socio-economic and demographic status of respondents
- To study the status of accessing internet, devices used, preferred online payment mode etc. among respondents.
- To study the factors, influence the preference of consumers in online shopping.

4.0 Hypothesis of the Study

- There is no significant difference in purchasing habits between both genders.
- There is no significant difference of getting influenced by comparative prices for purchasing online between both genders.

5.0 Research Methodology

5.1 Source of Data: Both primary and secondary data was adopted to make the study meaningful. Primary data was collected with the help of google form sent to the targeted consumers who are generally engaged

in online shopping. For secondary data various studies in the past, reports from e-commerce platforms and internet were used to fulfil the objectives of this study.

5.2 Sampling Plan & Sample Size: This empirical research study was completed among targeted respondents and judgement sampling was adopted. Only those respondents were selected who have the experience of online purchasing. 100 respondents were selected and send google form to them for data collection and 61 percent respondents responded towards the google form sent to them. So finally, 61 respondents are selected for this study.

Total Questionnaire (Google Form) Send to targeted respondents	75
Not Responded Questionnaire (Google Form)	05 (6.67%)
Total filled Questionnaire (Google Form) Received	70 (93.33%)
Total Questionnaire (Google Form) not filled with proper information	09 (12.85%)
Total Questionnaire (Google Form) was filled with proper information and considered as sample	61 (87.15%)

5.3 Location of the Study: The present study was done in Bareilly district of Uttar Pradesh where Bareilly city is selected as study area.

5.4 Statistical Tool applied: Arithmetic Mean, Standard Deviation, Percentage, t-test and chi-square test were adopted as statistical tool for the present study.

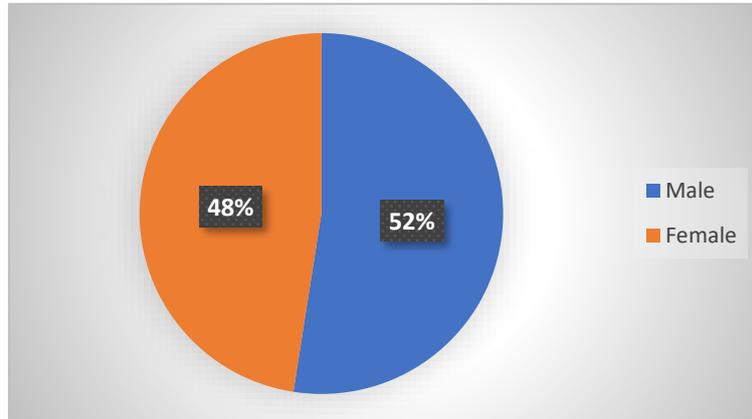
5.5 Limitations of the Study: The study was done under following limitations -

- The study is limited to Bareilly City of District Bareilly in Uttar Pradesh.
- Targeted respondents are only those consumers who generally purchase online.
- Google form method was used to collect primary data and the researcher has only telephonic and messaging interaction with the respondents.

6.0 Analysis

6.1 Socio-Economic and Demographic Status of the Respondents: The gender wise distribution of the respondents shows that 52.45 percent respondents are male and 47.54 percent are female having average age 28.90 with maximum age 44 and minimum age 18. 16.39 percent respondents are married while the majority 81.96 percent are unmarried among the respondents. The data for respondents' educational qualification shows that the highest number (55.73 percent) of educational qualification is Graduation in any stream followed by 29.50 with post-graduation or higher degree. 40.98 percent respondents are self-employed followed by 29.50 percent who work either in government or private organisation for their livelihood. The mean of monthly income of the respondents is Rs. 16180.32 with a standard deviation of 10336.84, which shows that there is high range in income of the respondents.

Figure 01 Genderwise Distribution of Respondents



Source: Primary Data

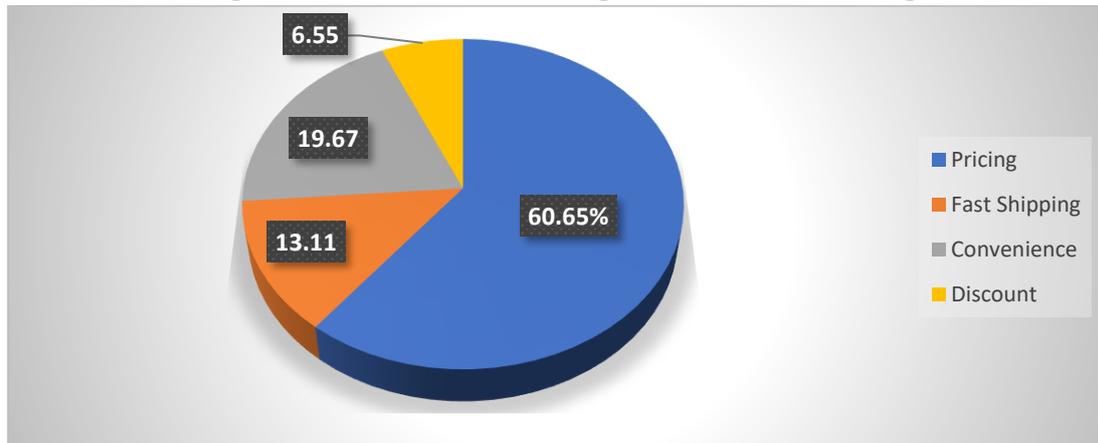
6.2 Using habits of Internet and Devices among respondents:

The internet became more popular among people after the android mobile phone was introduced because it makes meaningful use of internet including online shopping and put opportunities for the e-commerce companies to expand their business globally. In this research the researcher asked several questions regarding the use of internet and devices by which they explore internet and the services they make through internet. Overall to know the respondents habit related to internet was asked through several questions.

The intention for using internet among the respondents shows that 86.88 percent respondents use the device for making payment of bills, online shopping, mailing & messages while only 13.11 percent use this for making online shopping. 52.45 percent respondents use Desktop, laptop and mobile phone for browsing internet or online shopping or any other internet related activity while 45.90 percent respondents use only mobile phone for the same purpose which mostly (86.34 percent) they use at their home place. While asking about the mode of payment for online purchase 60.65 percent respondents use Credit Card or ATM for any online shopping transaction followed by 34.42 percent through UPI and 4.91 percent respondents use any Banking app for the same. The frequency of purchasing online in a month among respondents shows that the highest is 10 purchase per month and minimum is 1 purchase in a month with an average of 4.6 and standard deviation of 2.57.

The factors that influence the respondents for online shopping shows that 60.65 percent of them influenced by the comparative pricing of the products while they compare their prices with offline. 19.67 percent respondents prefer the online shopping due to the convenience that they get through this type of purchasing. 13.11 percent responded that fast shipping by e-commerce websites influenced them to purchase online and 6.55 percent respondents were influenced with the discount offers at festive time influence them to buy the products online instead offline.

Figure 2.0 Factors influencing the online Purchasing



Source: Primary Data

H₀: There is no significant difference in purchasing habits between both genders

The independent t-test value shows that there is no significant difference between the means values of purchasing habits of both genders.

$t = -1.143529$, D.o.f. = 59 p -value (One-tailed) = 0.128719, at 5% Level of significance

p -value (Two-tailed) = 0.257438, at 5% level of significance

Result = Null Hypothesis Accepted

H₀: There is no significant difference of getting influenced by comparative prices for purchasing online between both genders.

The chi-square statistic is 6.3901. The p -value is .040964. The result is significant at $p < .05$, D.o.f.=2.

Since the p value $< .05$ which means that there is significant difference between genders in being influenced by comparative prices when they purchase online.

Result = Null Hypothesis Rejected

7.0 Conclusion

The present study demonstrates that the average age of respondents is under thirty with the majority of being unmarried. Educational attainment among the respondents is high in the sample and a significant portion of respondents is self-employed but there is variability in income levels of the respondents. Mostly the respondents use internet through mobile phone, desktop and laptop. The habits and preferences among the respondents are widespread. The most critical factor that influence the purchase decisions of the respondents is comparative pricing which is the most critical factor among respondents towards online shopping. The analysis shows that purchasing habits do not differ significantly between genders this indicates that both genders shop online with similar frequency and pattern, but the comparative pricing influences both genders differently which shows that gender appears to play a role that how consumers are influenced by comparative prices online. This reflects the potential areas for targeted marketing strategies in the sector of e-commerce. These insights can be helpful for this sector while making policy for optimising their pricing, payment options and user experience to diverse the need of consumers effectively.

References

1. Wenzl, Megan. (2024, October 15). Understanding Online Consumer Behaviors for a Better Customer Journey. Shipbob. <https://www.shipbob.com/blog/online-consumer-behavior/> on dated 25-01-2025
2. Sunitha, C.K. & M. Edwin Gnanadhas. (n.d.). Online shopping an Overview. https://www.researchgate.net/publication/264556861_Online_Shopping_-_An_Overview_on_dated_25-01-2025
3. Balakrishna.(n.d.). Introduction about online shopping. SCRIBD. <https://www.scribd.com/document/345269254/1-introduction-about-online-shopping-1> on dated 25-01-2025
4. Jungle Scout. (2021, August 9). The 13 Top Reasons Consumers Shop Online . Jungle Scout. <https://www.junglescout.com/resources/articles/reasons-consumers-shop-online/> on dated 25-01-2025
5. Kondrenko, Katerina.(2024, January 31). Using customers' online shopping behavior in e-commerce. Uexpressia. <https://uexpressia.com/blog/customer-online-shopping-behavior> on dated 25-01-2025
6. Cunha, Avis D. (2023). A Study on Consumer Behaviour towards Online Shopping. Kanpur Philosophers International Journal of humanities, Law and Social Sciences, Vol. X, Issue I(K) :2023, p. 75
7. Kulshreshtha, Chandra Prakash & Krishna Murari Modi. (2017). Consumer Behaviour Analysis in the Era of Online Shopping: Trends and Insights. International Journal of Innovative Research and Creative Technology, Volume 3 Issue 4, 11-18
8. Juyal, Som Aditya. (2018). An Empirical Study on Factors Influencing Shoppers' Online Buying Behavior: A Study in Dehradun and Haridwar Districts of Uttarakhand, India. International Journal of Online Marketing, Volume 8, Issue 1, January-March 2018.
9. Khanna, Rupa, Gunjan Aswal & Shipra Gupta. (2019). Consumer Online Purchase Decision and its Influencers in Uttarakhand: A Factor Analysis Method. International Journal of Innovative Technology and Exploring Engineering (IJITEE)ISSN: 2278-3075, Volume-8 Issue-10S2, August 2019.
10. Venkatesh, M & C. Thiruchelvam. (2020). A Consumer Buying Pattern in Economic Analysis With Special Reference To Online Shopping in Chennai City. International Journal of Management (IJM), Volume 11, Issue 11, November 2020, pp. 4166-4184, DOI: <https://www.doi.org/10.17605/OSF.IO/ZWHPB>
11. Thakur, Anusha. (2021). A Study on Consumer Behavioural Analysis of Online Shopping Trends in India. International Journal on Customer Relations9 (1 & 2) 2021, 28-38<http://publishingindia.com/ijcr/>
12. Verma, Rohit & Manish Khanna. (2022). Customer Behaviour and Purchasing Patterns Towards Online Shopping – A Literature Review. International Journal of Creative Research Thoughts, Volume 10, Issue 7 July 2022, c267-c275
13. Siddiqui, Arshi & Sanjeev Mehrotra. (2022). Buyer's Attitude Towards Online Shopping: An Analytical Study on Uttarakhand, India. Quest Journals Journal of Research in Business and Management, Volume 10 ~ Issue 11 (2022) pp: 162-166
14. Dixit, Rinku, Shailee Choudhary & Nikhil Govil. (2023). Analysis of the Factors influencing the consumers buying behaviour in online shopping: An empirical study with reference to Delhi, India. Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4348942 viewed on dated 23-01-2025

15. Liu, Zhiming. (2024). *Analysis of Key Economic Factors in Consumer Behavior and Purchase Decisions in Online Markets*. Available from: https://www.researchgate.net/publication/379908520_Analysis_of_Key_Economic_Factors_in_Consumer_Behavior_and_Purchase_Decisions_in_Online_Markets [accessed Jan 23 2025]
16. Kanaujia, Rahul & Himanshu Sekhar Singh. (2024). GST effect on consumer behaviour and spending patterns: An empirical study. *International Journal of Research in Finance and Management* 2024; 7(2): 180-185