



Impact of demographic factors on online purchase behaviour: An exploratory study of online buyers

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Abstract

Online purchasing is the most recent development in the world of E-commerce and will undoubtedly influence future purchasing trends as well as the future of shopping in India. Most businesses have made it possible for clients to purchase goods and services via the Internet. All of the major brands are now presenting their items online. Although the Indian market is fresh to this phenomenon, it is nevertheless seen as a significant strategic market. With this in mind, this study has been initiated to investigate the internet buying habits. Buyers' buying perceptions are researched using numerous demographic parameters such as age, gender, profession, qualification, and income. Buyers' buying perceptions are researched using numerous demographic parameters such as age, gender, profession, qualification, and income. Questionnaires and Interviews were implemented to obtain primary data from respondents, and a sample size of 270 people who responded is being collected. The quantitative and qualitative approaches were being used to conduct the research investigation. The study's findings, after application of statistical test demonstrated that demographic factors does not significantly influences the buyers purchase behavior. The results of the study could be further used for seeing the impact in different cities of India.

Keywords: On-line purchase behaviour, demographic factors, age, income, gender, qualification, profession

Introduction

Online business, sometimes known as e-business, is a larger word that encompasses any actions carried out online for the primary aim of conducting business. E-commerce is a subset of the larger word online business, which refers to the purchasing and selling of goods and services over the Internet. With technological advancements and a proliferation in the dot.com era, e-commerce is at the forefront of the businesses being driven online. Following China, India is developing as the fastest expanding region for internet retailing, with enormous potential. According to a report being published in newspaper by ASSOCHAM "India's etail market was near about \$3.59 billion in 2013, it went up to \$5.30 billion in 2014 and is expected to touch unexpected \$17.52 billion mark by 2018. Also, the total retail sales in India will increase from \$1029.73 billion during 2018 and it is going to touch \$1,544.88 billion in 2023" (The Hindu, New Delhi, 10 January, 2023).

Buying Behaviour of Consumer in technological Environment

Consumer

"A consumer is a person or group of people, such as a household, who are the final users of products or services.

Any person who purchases products or services for personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements. Each and every time when someone goes to a store and purchases a product such as a toy, trouser, bag, beverage, or anything

else, they are making that decision as a consumer." (Chheda, 2014)

"Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It is basically a combination of elements from psychology, Anthropology, sociology, marketing and economics. It tries to understand the decision making process of buyers and how emotions affect their buying behaviour." (Kuester, 2012). According to Schiffman and Kaunak (2009) "Consumer behaviour is the behaviour that an individual shows while searching for, purchasing, buying, using, evaluating and disposing the product or services they expect will satisfy their needs." Every individual is different from other depending on their buying habits and choices which is in turn impacted by psychological and social barriers that affect purchase decision process. "The decision making vary from person to person, place to place and focusing on the past experience of consumers; we can predict the future trends by bringing profitable products and services into the market. In this modern world, the popularity of interactive media like the World Wide Web is increasing day by day with rapid pace because of two main factors, those are:

1. Most of the companies are doing their business online and make their website as showroom of their product and services.
2. Fast increment of consumer segments due to increase needs and demand including online shopping as well." (Kinkar and Shukla, 2016)

Table 1: Offline Vs Online purchasing behaviour of consumers

Parameters	Offline Buying Behaviour	Online Buying Behaviour
1. Convenience	Have to purchase from brick and mortar shops	Purchase is through online stores or websites.
2. Availability	Products are available till the shops are open	Products are available 24 x 7
3. Variety	Limited variety in various product categories	Large variety in various product categories
4. Consumer reviews	No such facility provided in offline shopping	Helps the prospective customers to get the feedback about product they want to purchase.
5. Comparison shopping	Have to physically visit the shop to check out the product which is time consuming & physically demanding	In online shopping we can check the product by opening numbers of shopping sites and we can choose the best deal.
6. Discounts	Cannot offer much discounts as various costs are included	Hefty discounts are offered by online dealers as they don't have to pay for salespeople and showroom cost.
7. Availability of unique products	Certain products categories are not available offline like electronics and fashion	Unique product categories can be purchased online only.
8. tangibility & Trialability	Customers can easily touch the product and merchandise and can 'buy when they are fully satisfied.	No such benefit is there in online shopping.
9. Shopping experience	A shopping experience where we can feel, touch, see the colour and select the product with families advice is a added advantage in offline shopping.	No such feel can be get in online shopping.
10. Delivery of product	Product is ready to be consumed immediately after purchase.	In online buying there is a significant amount of time between order placement and delivery of product
11. Return of product	Customers can visit the shop if not satisfied with the products	In case of online shopping customer has to wait for the courier for reverse logistics, getting the money back and exchange of product.

Sarkar and Das (2017)

As we all know, cost is a key component in purchasing, and in an online environment, the buyer is presented with a plethora of possibilities. However, there are several critical considerations when purchasing online. Customers are often concerned about the costs associated with online purchases; in addition to the product cost, customers must pay for shipping and processing costs, which are inescapable in online purchasing. Therefore, in addition to the product cost, the customer must pay for shipping and transaction costs, which are inescapable with online purchasing. The 'touch and feel component' that online buying lacks. Also of concern are the security and privacy risks associated with internet purchasing, as our personal and financial information is submitted on websites. These are some of the constraints that make internet purchase difficult, and people are cautious to buy things online.

Research Objectives

1. To study the perception of online buyers on the basis of demographics (Age, income, gender, education and profession).

Review of Literature

Yoldas (2012) [9] has explored in her dissertation work the buying behaviour of online customers. She has done a comparative study of buyers from turkey and U.S. The author studied the online buying behaviour of the two customer groups.. The findings of the study revealed that British consumers are more active and are frequent buyers in comparison to the Turkish consumers. It was found that British and Turkish consumers both are concerned about the security in online shopping and considered it as the greatest disadvantage of it. The mode of payment used by both the consumer groups is also different.

Dahiya (2012) [4] has investigated the impact of demographic variables on online shopping behaviour of consumers of India. She considered the various shopping parameters for online buying like future purchase intention, frequency of on-line shopping, satisfaction with on-line

shopping, numbers of items purchased, and overall money spenden on online shopping were being considered. The author found a significant impact of all the factors on online shopping in India.

Sultan and Henrichs (2000) [8] propounded in their research work that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

Chaturvedi and Barber (2014) [1] have examined in their research work on "the factors influencing the impact of Social media on consumer behaviour on the basis of demographic variables such as age, Education etc." They also found out the usage level of Social networking sites) SNS and for what purpose it is being used on the basis of demographics. The findings of the study revealed that undergraduates and graduates use social media more frequently. The Consumer Behaviour of the respondents in the group of undergraduates is most affected by social media. Also it has been found that Facebook is the most promising site which affects the buying decision of consumers.

Muthiah and Kannan (2015) have suggested in their research article "A study on impact of social media on consumer behaviour that the research did not include in its analysis demographic variables, such as sex, age, social class, and ethnicity. Therefore, this is another area in which the research could be improved and extended, perhaps using these demographic variables as mediation variables. "They also mentioned that influence from social networks will definitely have an influence on individual behaviour and which may become very important to study in future.

Research Methodlogy

1. Conceptual Framework

It has been found from the literature review that still there is gap in studying the impact of demographic variables. Thus a conceptual framework has been designed to construct hypothesis. The present study has tried to examine the

Impact of demographics on online buying behaviour of consumers of Bhopal. A systematic presentation of demographic variables to study the online buyer perception

towards online purchasing is being studied in the current study depicted in below Figure 1.

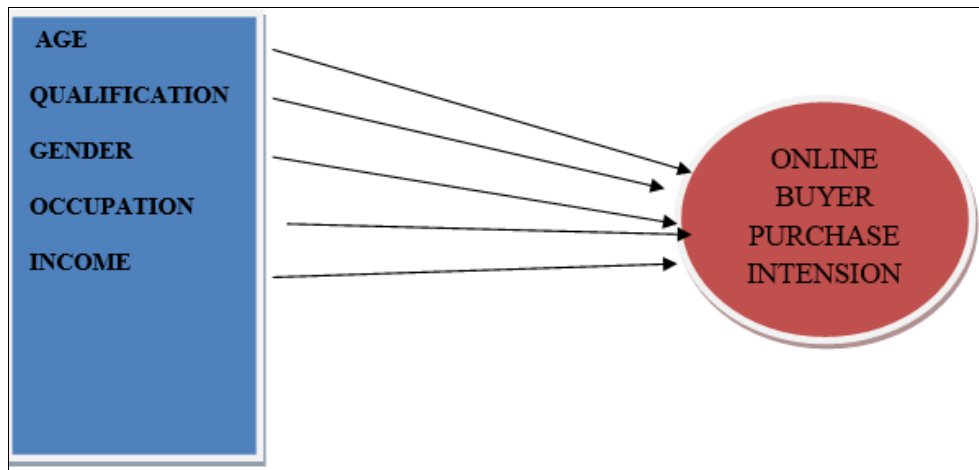


Fig 1

2. Research Hypotheses

H₀₁: Demographic factors of consumers have no significant impact on the online purchase intention of buyer.

H₀₁₍₁₎: Gender has no significant impact on online purchase intention of buyer.

H₀₁₍₂₎: Age has no significant impact on online purchase intention of buyer.

H₀₁₍₃₎: Occupation has no significant impact on online purchase intention of buyer.

H₀₁₍₄₎: Qualification has no significant impact on online purchase intention of buyer.

H₀₁₍₅₎: Household income has no significant impact on online purchase intension of buyer.

3. Methodology adopted to achieve the desired Objectives

The research design is exploratory cum descriptive research. As exploratory research study helps in the selection of desired variables for the study, through the extensive literature review. For the descriptive research design questionnaire survey method is adopted.

4. Sample Size Chosen for the Study

The sample size chosen for the study is 500. In order to check the reliability for the questionnaire, pilot study is done on 40 samples to check the validity of questionnaire. After data collection, the incomplete questionnaires were eliminated and the final sample size used for analysis was 270. The sampling unit includes respondents from M.P who are online buyers.

5. Sampling technique used

Judgmental sampling technique OR Purposive sampling is used and a set of respondents who purchased goods online at least once and have basic computer knowledge is targeted for sample.

6. Statistical tool

The statistical tools used for the data analysis are Analysis of Variance (ANOVA) and Independent t-test to fulfil the desired objectives and testing of hypothesis.

7. Hypothesis Testing

H₀₁: Demographic factors of consumers have no significant impact on the online buyer purchase intention of buyer.

Table 2: ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Age	Between Groups	12.546	55	.228	.749	.898
	Within Groups	65.172	214	.305		
	Total	77.719	269			
Income	Between Groups	47.943	55	.872	.821	.806
	Within Groups	227.331	214	1.062		
	Total	275.274	269			
qualification	Between Groups	25.515	55	.464	1.108	.300
	Within Groups	89.615	214	.419		
	Total	115.130	269			
occupation	Between Groups	23.810	55	.433	1.038	.414
	Within Groups	89.241	214	.417		
	Total	113.052	269			

The results above shows that demographics such as age, income, qualification and occupation doesn't impact online buyer purchase intention. As the value of F-test clearly shows higher value then the critical p-value ($\alpha=0.05$). Thus it we can interpreted that our null hypothesis is accepted and alternative hypothesis is rejected.Hence we can recommend

that there is no significant relationship between demographic factors and buyers purchase intention online.

T-test for gender

H₀₁₍₁₎: Gender has no significant impact on online purchase intention of online buyers.

Table 3: Group Statistics

	gender	N	Mean	Std. Deviation	Std. Error Mean
Onbuytotal	male	139	59.1367	12.83857	1.08895
	female	131	62.0840	11.29877	.98718

Table 4: Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	1.498	.222	-1.998	268	.047	-2.94728	1.47537	-5.85208	-.04248
Equal variances not assumed			-2.005	266.767	.046	-2.94728	1.46981	-5.84118	-.05338

The findings suggest that males (59.13) and females (62.08) have about equal means. This demonstrates that they are both equally involved in purchasing, as men outnumber women. This demonstrates that guys are more frequent online shoppers than females, who only shop online once or twice a month. According to the findings, males and females are both impulsive buyers and they get allured to the promotional campaigns and marketing tactics of the online retailers and thus buy products more frequently online through on-line websites. As a result, there is no discernible impact on Bhopal consumers' online buying intentions. As a result, the null hypothesis is accepted.

Conclusion

The analysis of variance (ANOVA) findings for customers' perceptions of online shopping across several demographic parameters such as age, income, gender, qualification, and profession reveal that demographic factors have no effect on online purchase. Thus, our overall findings show that respondents' perceptions of online purchasing are unaffected by age, gender, income, qualification, or occupation.Thus, our overall findings show that respondents' perceptions of online purchasing are unaffected by age, gender, income, qualification, or career.

Limitations of the Study

Although the study's purpose was attained, there are some limitations to the current study. To begin with, the survey and the research data was only constraint for the online users and that too of M.P. Second, the number of variables chosen for the current study is only few. Finally, the results are susceptible to the normal constraint of response accuracy.

Scope for Future Research Work

The current study is focused on a small number of variables that influence customer behaviour when shopping online. As a result, researchers can investigate customer behaviour towards online buying using various variables that influence customer behaviour when shopping online. As a result,

researchers can investigate customer behaviour towards online buying using various variables such as website design, reliability, internet attributes, attitudinal traits, and so on. Furthermore, studies can be undertaken by incorporating a greater geographical area, such as respondents from different states in India. Further research can be conducted to assess customers' intentions to shop online with a focus on product categories and brands.

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