

A STUDY ON MOTIVATIONAL FACTORS INFLUENCING E SHOPPING BEHAVIOUR OF FLIPKART CONSUMERS

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Abstract

Consumer behaviour is the study of individual or groups and the process they use to select a product or service that satisfy their needs. The behaviour of customers is different in both online and physical. In modern world the popularity of internet is increasing rapidly. Online retailing is becoming an integral part of an economy. As online shopping is a new medium, the consumer behaviour in the field of online shopping is also pretty diverse in nature compared to traditional consumer behaviour. So it is equally important for one to identify what factors influence consumers to shop online. In order to reach towards purchase decision, it consists of several factors which influence consumers to shop online. These factors are important for retailers to compete in the market and to make their product more compatible. So it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers. In this study, research has been made to study the external factors influencing online buying behaviours of consumers towards online shopping portal Flipkart.

Keywords: Internet, E commerce, consumer Behaviour, External Influence, Flipkart, Website, Online trust

1.1. Introduction

Consumer behaviour is the study of individual or groups and the process they use to select a product or service that satisfy their needs. The behaviour customers display is different in both online and physical environment. In modern world the popularity of internet is increasing rapidly. Today people are doing business online which has made life much easier. The online retailing is becoming an integral part of our economy. E commerce is gaining several advantages by increasing user comfort in online shopping experience. Shopping by means of online has been widely accepted as a way of purchasing products and services. It also provides consumer more information and choices to compare product and price, more choice, convenience, easier to find anything online (Butler and Penpard, 1998).

The behaviour of consumers is diverse in both online and physical. In modern world the popularity of internet is increasing rapidly. Today people are doing business online which has made life much easier. By using E-Commerce, the dealers of the products can save on the selling expenses. A highly demanding lifestyle is compelling consumers to adopt online shopping as an alternative to traditional retailing worldwide. In order to save time and money,

people are motivated to purchase products and services online. Companies are investing intensely on technology to make best use of internet as the shopping channel. Therefore, it becomes essential for online retailers to study online consumerism and how it is taking shape in today's era of rapid globalisation.

1.2. Growing Trends of Online shopping in India

India is the fifth largest preferred retail destination globally and is poised to grow to US\$ 1.3 trillion by 2020, registering a Compound Annual Growth Rate (CAGR) of 16.7 per cent over 2015-20 and online retail market is expected to reach \$ 64 billion by 2021, with 31.2% CAGR over five years according to a study by ASSOCHAM-Forrester. It is also mentioned earlier that 25 per cent of travel and tourism-related sales are currently digitally driven in the country. Digital influence is rapidly expanding to small urban towns and rural areas, as the number of mobile users have increased. More than 34 per cent of total internet users in the country are from small towns, while 25 per cent are from rural areas. Of the total urban Internet users, around 57 percent are of age 25 and above, and 45 per cent use only their mobile devices to access the Internet. Increasing Internet penetration, rising fuel prices and wider choices in the comfort of one's home could be pointed out as the reason for the increase. "Online shopping-Review & Outlook in 2013," released by industry chamber Assocham showed that India's e-commerce market rose from about \$2.5 billion in 2009 to \$6.3 billion in 2011, \$8.5 billion in 2012 and further to \$16 billion in 2013

1.3. Flipkart

Flipkart is probably India's oldest deal offering website. Founded by Sachin Bansal and Binny Bansal, it has been operational since 2007. At its launching, the objective of the website was to offer best priced books to customers, which is why it is often referred to as "Amazon of India". However now, it is functional in a variety of domains like electronics, mobile phones, movies, music, games, mobiles, cameras, computers, healthcare and personal products and home appliances. There are lots of path breaking ideas which Flipkart has successfully implemented like cash on delivery, 30-day replacement policy, EMI options etc. Flipkart is significantly dominant in the sale of apparel (a position that was bolstered by its acquisitions of Myntra and Jabong.com). In August 2018, U.S. based retail chain Walmart acquired a 77% controlling stake in Flipkart for US\$16 billion, valuing it at \$22 billion.

1.4. Problem statement

As online shopping is a new medium, the consumer behaviour in the field of online shopping is also pretty diverse in nature compare to traditional consumer behaviour. So it is equally important for one to identify what factors influence consumers to shop online. Before reaching on purchase decision, a consumer is influenced by several factors while purchasing online. These factors are important for retailers to compete in the market and to make their product more compatible. “An increasing number and variety of firms and organizations are exploiting and creating business opportunities on the Internet”, Liao and Cheung (2000:299). With this emerging field of shopping the interest, of marketers is also increasing in studying what actually motivates consumers to shop online. Fierce competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping. Previous research streams on online shopping behaviour, investigated main factors influencing online shopping adoption. However there has been limited number of studies with focus on one particular shopping portal. In this study, research has been made about the online buying behaviours of consumers towards Flipkart shopping portal.

A general purpose of studies relevant to e-shopping behaviour is to understand and predict consumers' e-shopping behaviour as well as, in some cases, to improve the design of e-shopping sites. Accordingly, identifying the factors influencing e-shopping behaviour becomes very important in achieving the goal. Although previous studies have investigated a large number of potential antecedent factors, only those factors that were empirically found are significantly associated with e-shopping behaviour.

1.5. Objective

The major objective with which this study was conducted is to find out, analyse and understand the opinion of the respondents about the various external factors influencing their purchase decision.

1.6. External Influence on Online Buying Behaviour

Researchers have identified that those who use the internet more are likely to buy products online than those who use it less. Providing logic of more usage of Internet might induce consumers to gain more exposure which might lead to more trust over Internet activities. This might be the earlier stage of exercising purchase behavior over Internet by

collecting information as the consumer believed in the reliability of the information available over Internet. Seckler (2000) observed that the consumers those who gained experience on online buying with a small purchase at the earlier stage will likely to develop confidence and skills that facilitate more ambitious purchase. It clearly shows that more experience will install trust in consumers to buy expensive products over Internet. Dinev et al (2006) observed the influence of culture on online purchase through comparison of Italy and US consumers. Solo and Karjaluoto (2007) observed the influence of society and culture on online shopping. Zhou et al (2007) conducted an extensive review of studies related to the influence of society and culture on online purchase.

1.7. Website

Customers can be influenced by the image of the web site when they decide what website or buyer they should buy from (Lim and Dubinsky, 2004). Not only should companies create their secured website, but also should create it to be more attractive and more useful. Online stores can change a shopper into a buyer if the stores provide variety and useful information of product, good customer service, and easy-to-access website (Laudon and Traver, 2009). Their websites should have enough information but should not be too overwhelming. Putting unstructured or useless information in the website can reduce internet usefulness and ease of use.

1.8. Website design/features

Website design and online shopping activity is one of the vital influencing factors of online shopping. Website design, website reliability/fulfilment, website customer service and website security/privacy are the most attractive features which influence the perception of the consumer of online buying Shergill & Chen (2005). Kamariah and Salwani (2005) claims the higher website quality, the higher consumer intends to shop from internet. Web design quality has important impacts on consumer choice of electronic stores as, stated by Liang and Lai (2000). A study conducted by Yasmin and Nik (2010) shows a significant relationship between online shopping activity and website features. Website design features can be considered as a motivational factor that can create positive or negative feelings with a website (Zhang, et al 1999). A study by Li and Zhang (2002), states that if website is designed with quality features it can guide the customers for successful transactions and attract the customers to revisit the website again.

1.9. Online Trust

Studies and literature about online consumer behavior frequently cite trust as a significant factor in a consumer being willing to purchase online (Chen et al., 2004). Furthermore, there is no consensus among authors on the definition of online trust. Contanza, & Lynda defined trust as, “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control the other party”. According to Kim, & Forsythe, (2010), trust is a critical experienced factor fundamental in initiating relationships with consumers. Thus, in marketing literature, trust is positively related to a consumer’s experience with a selling party (Keystone, 2008).

1.10. Subjective Norms

A subjective norm is defined as “a person’s perception of the social pressures put on him to perform or not perform the behavior in question (Ajzen & Fishbein, 1980). Limayem et al. (2000) note that online shopping is a voluntary individual behavior that can be elucidated by behavior theories such as the theory of reasoned action (TRA) introduced by Fishbein and Ajzen (1980) and the theory of planned behavior (TPB) proposed by Ajzen (1991). The TRA has been widely used by social psychologists and consumer behavior researchers (Choi & Geistfeld, 2004). Vijayasathy (2004) defines normative beliefs in the context of consumer intention to shop online as “the extent to which a consumer believes that people who are important to him/her would recommend that the consumer engages in online shopping” the subjective norms are divided into two types, namely peer influence (friends and family) and external influence (mass medium, popular press and news reports) Subjective norms capture the consumers’ perceptions of the influence of significant others (e.g., family, peers, authority figures, and media).

1.11. Research Methodology

The Current research and research design is descriptive in nature.. The current study utilizes a non-probability sampling techniques that is convenience sampling. This study was carried out through the Web-based survey methodology because our study focuses on consumers who have ever experienced the Internet. The population for the present research is internet users in Tamil Nadu. Structured questionnaires were posted on the Web using Java Servlet, and we utilized JavaScript to check for missing responses and prompt users to

answer them. Thus 788 responses for the questionnaires have been received through online. Preliminary Pilot Study was conducted among 50 respondents with the help of structured questionnaire. Cronbach's Alpha value of 0.784 shows that the various dimensions used for the study is reliable.

1.12. Tools of Analysis

The data has been analysed through Measures of Central Tendency (Mean Scores) and Measures of Dispersion (Standard Deviation), The variables used for measuring are external influence, web - site design / feature, merchants attribute, trust and subjective norms. Each variable has separate measuring questions for the measurement. This measuring questions and the variable is measured using the standard measurement scale (Five-point scale of Likert) ranging from " 5" = strongly agree," 4" = agree," 3" = moderate," 2" = disagree and" 1" = strongly disagree.

1.13. Analysis and Interpretation

Table.1.1. Analysis of External Influence

Measuring Variables	Mean	Sd
Experiences shared from friends / relatives influence the decision to buy products / services over internet (peer groups)	3.79	.664
Experiences shared from boss / managers / elder influence the decision to buy products / services over internet (Reference groups)	3.49	.640
Acceptance from society influence the decision to buy products / services over internet	3.63	.511
Decide to buy products / services over internet based on their country of origin (Japan, Germany, America etc.). (Country of origin)	3.26	.486
Decide to buy products / services over internet based on the reliability or trust of the websites (Reliability to websites).	4.12	.692
Decide to buy products / services over internet based on my previous experience (Previous experience)	3.51	.655
Decide to buy the products / services over internet depend on their brand reputation (Brand reputation).	3.63	.583
Mean Score	3.70	.461

The respondents from Flipkart agree with the overall variables that the external influence has its impact on them by encouraging them to buy the products through online portals with a mean value of 3.71.

Table.1.2. Analysis of Web - Site Design / Feature

Measuring variables	Mean	Sd
The website design and layout helps me in searching the products easily	3.53	.805
I prefer to buy from website that provides me with quality information	3.64	.994
I find internet shopping quite easy	4.03	.749
The website designs of the Internet retailers are easy to navigate and	4.14	.807

aesthetically attractive.		
It is quick and easy for me to complete a transaction through the website.	3.74	.681
The Internet retailers' websites provide in-depth information to answer my questions.	3.69	.869
Mean Score	3.82	.574

The respondents from Flipkart agree with the variable of web - site design / feature, that it influences them with a mean value of 3.28.

Table.1.3. Analysis of Merchants Attribute

Measuring variables	Mean	Sd
I am never overcharged by Internet merchants during sales transactions	3.90	.967
Most Internet merchants have a good reputation	4.09	1.056
In general, I can rely on Internet vendors to keep the promises that they make	3.93	.831
Internet merchants have sufficient expertise and resources to do business on the Internet	4.38	.774
If there is any problem with my transaction, Internet merchants will go out of their way to help me	3.97	1.045
Internet merchants always keep promises and commitments	3.98	.869
I feel that Internet merchants are likely to care for my welfare	3.74	1.002
Mean Score	3.97	.634

The respondents of Flipkart also agree with the variables merchants attribute with a mean value of 3.97.

Table.1.4. Analysis of Trust

Measuring variables	Mean	Sd
I trust information from an online portal	4.05	.926
I think an online portal can be more trusted to keep its promises	3.93	1.076
I believe that the website I use for my online shopping would act in my best interest.	3.96	.867
The website I use for my online shopping is truthful in its dealings with me.	2.72	1.055
The website I use for my online shopping would keep its commitments.	2.56	1.019
Trust is a major factor when shopping online.	3.77	.894
I select online portals which I believe that they are honest	4.27	.634
Mean Score	3.62	.547

The respondents of Flipkart agree with the variables of trust with a mean value of 3.62.

Table.1.5. Analysis of Subjective Norms

Measuring variables	Mean	Sd
Most people who are important to me would think that using the website to shop products online is a good idea.	4.05	.926
Most people who are important to me would think that I should use Internet to search for goods and services.	3.93	1.076
The people who influence my decisions would think that I should buy	3.96	.867

products online.		
Family / friends encourage me to make purchases through the Internet.	2.72	1.055
The media (e.g. television, radio, newspaper) influenced my decision to make purchases through the Internet.	2.56	1.019
Marketing (e.g. advertising, promotion) influenced my decision to make purchases through	3.77	.894
Mean Score	4.27	.634

The respondents of Flipkart agree with the variables of Subjective Norms with a mean value of 4.36.

Table.1.6. Analysis of Overall Motivation for Online Behaviour

Measuring variables	Mean	Sd
External Influence	3.71	.455
Web - Site Design / Feature	3.82	.574
Merchants Attribute	3.97	.634
Trust	3.62	.547
Subjective Norms	4.36	.536
Mean Score	3.89	.342

The respondents of Flipkart also agree with the variables of overall motivation for online behaviour with a mean value of 3.89.

1.14. Findings

This study is mainly focused on the factors that affect the consumer's online shopping behaviours. The respondents of Flipkart have agreed that the various variables of external influence which were used for the study influence them to buy the product through online. The respondents from Flipkart agree with the overall variables that the external influence has its impact on them by encouraging them to buy the products through online portals with a mean value of 3.71. The respondents from Flipkart agree with the variable of web - site design / feature, that it influences them with a mean value of 3.28. The respondents of Flipkart also agree with the variables merchants attribute with a mean value of 3.97. The respondents of Flipkart agree with the variables of trust with a mean value of 3.62. The respondents of Flipkart agree with the variables of Subjective Norms with a mean value of 4.36.

This makes it relevant to the marketers of Flipkart, as well as other marketers in the online shopping to understand and realise the importance of the external factors, which invariably influence the consumers shopping decision.

1.15. Conclusion

Marketers need to realize that the online marketing environment affects the way consumers view the products and the company. So the managers developing online websites must be aware of these factors to be successful and to retain the customers. The major benefit of online retailing is the ability to attain consumers over many geographical locations, in a very short duration of time. So marketers should take advantage of using various promotional methods to increase sales all over the world. They can also promote positive word-of-mouth through loyal customers. The internet can be used to create customer loyalty by providing consistent promotions through not only their website, but also social media sites. Lastly, marketers should maintain a system to provide sufficient and easily attainable product information to guide online transactions.

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