

Impact of Demographics on Online Buying Behaviour: An Exploratory Study of Consumers of Bhopal

Vivek Sharma*
Rishu Jain**

Abstract

Online buying is a latest trend in the field of E-commerce and will definitely going to affect the future trends in buying and will be the future of shopping in India too. Most of the companies have opened their doors for customers on Internet too to buy product and services. All the big brands are today showcasing their products online. Indian market is although new to this phenomenon but still considered to be a large strategic market. With this view in mind, this study is being triggered to study the online shopping habits in Bhopal. Buyers shopping perception is studied on the basis of various demographic factors such as Age, Gender, Profession, Qualification and Income. The primary data of respondents was collected through Questionnaires and a sample size of 270 respondents is being collected. The quantitative and qualitative approach to conduct the research study is being applied. The results of the study proved that demographic factors in Bhopal does not significantly impacts the online buyers purchase intension. The results of the study could be used for further study in different cities in India.

Keywords: On-line Buying behaviour, Demographics, Age, Income, Gender, Qualification, Profession.

Introduction

Online business or e-business is a broader term used instead of Electronic commerce or e-commerce which includes all the activities done online for the major purpose of doing business online. E-commerce is basically a subset of big term online business which exactly means buying and selling of product and services on Internet. With the advancement in technology and a boom in a dot.com era e-commerce is at the front seat of the businesses being driven online. After China, India is emerging as a fastest growing region for online retailing showing a great potential. According to a report 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 \$717.73 billion during 2014 and it is going to touch \$1,244.58 billion in 2018" (The Hindu, New Delhi, 10 January, 2017).

Buying Behaviour of Consumer in Digital 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,

*Dean, Faculty of Management, Barkatullah University Bhopal

**Research Scholar, CRIM, Barkatullah University Bhopal, E. Mail: rishujainiitm@gmail.com

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 others 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 varies 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)

Offline Vs Online buying behaviour

Parameters	Offline Buying Behaviour	Online Buying Behaviour
Convenience	Have to purchase from brick and mortar shops	Purchase is through online stores or websites.
Availability	Products are available till the shops are open	Products are available 24 x 7
Variety	Limited variety in various product categories	Large variety in various product categories
Consumer reviews	No such facility provided in offline shopping	Helps the prospective customers to get the feedback about product they want to purchase.
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.
Discounts	Cannot offer much discounts as various costs are included	Hefty discounts are offered by online
Availability of unique products	Certain product categories are not available offline like electronics and fashion	Unique product categories can be purchased online only.
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.
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.
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
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 know very well that cost is considered to be an important factor in buying and in online environment the customer is exposed to plenty of options. But there are certain important points which cannot be overlooked in online buying. Customers are generally concerned about the cost included in online buying, apart from the product cost the customer also have to pay for shipping and transaction cost which is an unavoidable thing in online shopping. Also the 'touch and feel factor' which is missing in the online shopping. Also the security and privacy issues involved in online buying is of concern, as our personal and financial information is being entered on sites. These are certain limitations which make online purchasing a cumbersome process and customers are hesitant to buying goods online.

Review of Literature:

Yoldas (2012) 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) 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 spented on online shopping were being considered. The author found a significant impact of all the factors on online shopping in India.

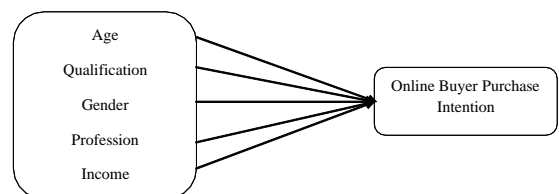
Sultan and Henrichs (2000) propounded in their research work that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness.

Chaturvedi and Barber (2014) 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.

Conceptual Framework, Research Objectives and Hypothesis

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.



Research Hypotheses

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

H01(1) : Gender has no significant impact on online purchase intension of consumer of Bhopal.

H01(2) : Age has no significant impact on online purchase intension of consumer of Bhopal.

H01(3) : Occupation has no significant impact on online purchase intension of consumer of Bhopal.

H01(4) : Qualification has no significant impact on online purchase intension of consumer of Bhopal.

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

Research Objectives:

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

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.

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 Bhopal.

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.

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.

Hypothesis Testing

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

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 intension in Bhopal city. As the value of F-test clearly shows higher value then the critical p-value ($\alpha=0.05$) .Thus it we can interpret that our null

hypothesis is accepted and alternative is rejected. T-test for gender

H01(1) : Gender has no significant impact on online purchase intension of consumer of Bhopal

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

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	-2.947	1.4753	-5.85208	-.04248
Equal variances not assumed			-2.005	266.76	.046	-2.947	1.4698	-5.84118	-.05338

Results show that males (59.13) and females (62.08) means are almost equal this shows that they both are equally involved in buying with a very number men exceeds female. This shows that males are more frequent online shoppers as compared to females who are shopping only once or twice in a month on internet. From the result it can be inferred that males and females both are 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. Thus there is no significant impact on online purchase intension of consumer of Bhopal. Therefore null hypothesis is accepted.

Conclusion

The ANOVA results for consumers' perception towards online purchasing across different demographic factors such as age, income, gender, qualification and profession shows that demographic factors does not impact on-line

buying .Thus our overall results prove that the respondents irrespective of age, gender, income, qualification and profession does not impact their online buying perception. This clearly justifies that online buying is not affected by demographic factors in Bhopal region. Thus marketers can decide their strategies irrespective of their age, gender, occupation, profession and income.

References

- Chaturvedi, S. & Barbar, R. (2014). *Impact of Social Media on Consumer Behaviour. Indian Journal of Research in Management, Business and Social Sciences*, 2(2), 107-114.
- Chandra, A.K. & Sinha, D. K. (2013). *Factors affecting the online shopping behaviour: A study with reference to Bhilai Durg. International Journal of Advanced Research in Management and Social Sciences*, 2(5), 160-177.
- Dahiya R. (2012). *Impact of Demographic Factors of Consumers on Online Shopping Behaviour: A Study of*

- Consumers in India. International Journal of Engineering and Management Sciences, 3(1), 43-52.*
- Deshmukh, G. K. & Joseph, S. (2016). *Online Shopping In India: An Enquiry of Consumers World. IOSR Journal of Business and Management (IOSR-JBM), 18(1), pp.28-33.*
 - Sarkar, R. & Das, S. (2017). *Online shopping vs. offline shopping: A comparative study. International Journal Scientific Research in Science and Technology IJSRST, 3(1), pp.424-431.*
 - Schiffman L. G. & Kanuk, L. (2007). *Consumer behaviour. (9th Edition). Upper Saddle River NJ: Published by Prentice Hall.*
 - Sultan, F. & Henrichs, R.B. (2000). *Consumer preferences for Internet services over time: initial explorations. The Journal of Consumer Marketing. Vol. 17, No. 5, pp. 386-403.*
 - Yoldas, S. (2012). *A research about buying behaviours of online customers- Comparison of Turkey with UK. (Master's Thesis). University of Roehampton, London.*