International Journal of Management, IT & Engineering

Vol. 7 Issue 3, March 2017,

ISSN: 2249-0558 Impact Factor: 7.119

Journal Homepage: http://www.ijmra.us, Email: editorijmie@gmail.com

Double-Blind Per Reviewed Refereed Open Access International Journal - Included in the International Serial Directories Indexed & Listed at: Ulrich's Periodicals Directory ©, U.S.A., Open J-Gage as well as in Cabell's Directories of Publishing Opportunities, U.S.A

# <u>A Study on Consumer's information Search behavior and</u> <u>Shopping Pattern in E-Shopping</u>

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#### Abstract

Keywords:

Online Shopping Information search behavior; Shopping pattern; Every year consumers are faced with the thousands of new products which flood the market and selecting right products with the right prices is challengeable for them. Consumers research the products, select and then make buying decision. Based on the information gathered about products, consumers make a state of perception and create a meaningful picture of the brand or the product. It includes the consumer opinion towards the product, price, frequency of buying, selecting the store. This study focuses on the consumers' information search behavior and shopping pattern in online shopping. The various facets of information search about products and shopping pattern of consumers have been explored. Apart from this, preference by consumers to the online shopping websites and products also has been the focus of the study.

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### 1. Introduction

Online shopping industry has witnessed the unprecedented growth in India over last decade. India's ecommerce market has touched \$46 billion mark in year 2016 (Assocham). Indian e-commerce market is likely to grow fastest globally over next three years. India received \$6.6 billion in venture capital and private equity investment in a single year 2015 (Morgan Stanley study, 2016). According to a study, Indian internet market is expected to grow to \$159 billion by 2020. Moreover, the number of Internet users is constantly increasing in India. According a recent study, buoyed by internet penetration in rural areas, the number of web users in India will see a two-fold rise at 730 million by 2020. This is also one of the drivers for rapid growth in e-commerce industry. Diversified demographies, availability of the cheap pocket internet, availability of cheap smartphones, ease of technology are some of the major factors which are causing these transformations.

Consumer buying process involves a continuous flow of interactions between environmental factors and behavioral actions (Kotler). When a consumer realizes the needs, he goes for an information search. He does the same, so that he can make the right decision. He gathers the information about the products and services. There may be various sources to gather product information such as newspaper, family and friends, internet etc. After the information search process, consumer decides to purchase the product or service; it may be from traditional store or from online store. Online shopping is latest trend in India and attracting the

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consumers. Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names for online shopping are: e-shopping, e-store, Internet shop, web-store, online store, etc. There are various online shopping sites such as e-Bay, Amazon, Homeshop18, Snapdeal, Flipkart, bigbasket and many more. In current scenario, consumers need not wait for working hours of web-stores as has been the case in traditional shopping; They may research and buy the products and services at any place, anytime, and variety of products or services. The e-shopping and traditional shopping each has unique features. The e-shopping substantially reduces search cost, grants easy access to product and price information and facilitates product comparison. E-shopping involves no travel, product carrying or restrictions on shopping hours, offering greater accessibility, convenience and time saving. In addition, it does not have any country barrier i.e. you can shop internationally with the ease. India's population is of diverse and various income level backgrounds and population here believe more in traditional shopping. At this juncture of transformation from conventional shopping to online shopping, it makes sense to conduct a study of consumers' information search behavior and shopping pattern in e-shopping or online shopping.

#### 2. Literature Review

Recently, there has been great interest increasing in the understanding of consumer behavior in computermediated environments (Hoffman and Novak, 1996). Consumers often have incomplete information about new products and before purchasing they have to get information from different sources. According to Lynch, Kent, and Srinivasan (2001), in the typical way of online shopping when the consumer needs some product or service they go through the internet and browse or search the things and their information they need. Consumers gather product information from various sources such as newspaper, traditional stores, promotional sms etc. apart from the internet and online websites. Information gathered from different sources influences consumers' decisions to a different level. Consumers rely on recommendations made by friends and relatives as well as online comments the most, and then get information given by a third party (Y.F.Qian, 2015). According to a study conducted by Senecal & Nantel (2004), the decision to purchase is influenced by online recommendations as well as comments. In 2008, America's OTX survey showed that nearly half of the subjects relied on families and friends for travel tips and information, 21% used travel books and 75% used Internet to plan their travels.

Kaas (1982) provides more detailed analysis of consumers' search behaviour by dividing the behavior into different stages which depend on the knowledge of consumers about the market and the frequency of purchase. If consumers are not aware of a product, they will enter the concept-forming stage. In this stage, consumers learn about the relevant attributes of the product and define their choice criteria. When the criteria are formed, they move to the next step which is brand information. Infrequent consumers who are familiar with the product category enter the search process from the brand information stage. They collect brand-specific information in order to compare the important attributes against their criteria. Afterwards, they move to the final stage of situational information where only specific information about a product is collected.

**Bhatnagar & Ghose (2004)** articulate that different types of consumers have different behaviors when it comes to online information search. Moreover, **Jun, Vogot, & Kelly (2007)** compare online information search with offline information search as well as study the relationship between the two kinds of information search and consumers' behavior.

Shaver (2007) explained the factors affecting information search as "amount of information gathered varies with individual consumers and is affected with time availability, past experiences, pre-existing knowledge, information accessibility, financial status and similar variables." Many researchers indicate that consumers' previous shopping experience influences their future shopping behavior (Eastlick, 1996; Eastlick & Lotz, 1999).

According to **Bettman and park (1980)**, "inverted U" is the relationship between prior knowledge and external information search. As per this view, an individual with moderate knowledge is assumed to conduct more detailed search than individuals with high or low knowledge. People with a moderate level become more involved, through effort and time, in searching for new information and rely less on prior experience, because they are relatively confident in their ability to access information (**Kerstetter and Cho, 2004**).

The benefits of internet for consumers' information search are as low transaction costs, easier access to price/product information, convenient purchase of associated services and ability to pool volumes of information (**Porter, 2001**). Since consumer information search is based on utility gain and costs of search. It is not surprising that day by day the popularity of internet for searching the product and service information is increasing (**Lee et al 2002**).

#### 3. Research Method

This study adopts descriptive research design where primary data have been used. Sample survey method was adopted to collect primary data. Total of 100 respondents were distributed the questionnaires in

Bengaluru City. Non-probability sampling particularly convenience sampling was adopted. Primary data was collected using a structured questionnaire which was distributed to one hundred respondents in Bengaluru to know the consumers' information search behaviour and shopping pattern.

### 3.1 Objective of the study

The main objectives of the study are (i) Finding the consumers' information search behavior, including the investigation about product information search, source of information about products, comparison of products and price (ii) Finding the consuer's shopping pattern in e-shopping or online shopping, which includes getting insight of frequency of purchase and spendings in online shopping, preference to products and online shopping websites.

# 3.4 Scope of the study

The scope of the study is limited to Bengaluru City. Based on past literature, consumers' information search behaviour and shopping behavior vary across different social and cultural backgrounds; therefore, the outcomes of this research are also different to the results of past studies. Therefore, outcomes from this research might not apply to other population groups, or to the other cities of India.

# 3.5 Limitation of the study

(i) Sample size is relatively small. Only 100 respondents have been considered for the research.(ii) Lastly, for primary data, non response error cannot be ruled out.

# 4. Results and Analysis

Firstly, demographic profile of respondents has been presented and then in next section descriptive statistics using charts is presented.

### 4.1 Demographic analysis

Variables		Frequency	Percent (%)
Gender	Male	65	65.0
	Female	35	35.0
Age	15-19	3	3.0
	20-29	28	28.0
	30-39	54	54.0
	40-49	11	11.0
	Above 50	4	4.0
Qualification	SSLC/below	1	1.0
	HSC	4	4.0
	Graduate	49	49.0
	PG	45	45.0
	Others	1	1.0
Profession	Student	5	5.0
	Professional	26	26.0
	Service/Job	58	58.0
	Housewife	9	9.0
	Business	2	2.0
Monthly Income (INR)	Upto 20,000	17	17.0
	20,000-40,000	18	18.0
	40,000-60,000	32	32.0
	60,000-80,000	25	25.0
	Above 80,000	6	6.0

 Table 1: Demographic characteristics of respondents

The result shows that majority of respondents i.e. 65% are males and 35% are the female. Majority of respondents i.e. 54% fall under the category of 30-39 years and very less respondent i.e. 3% fall in the category of 15-19 years. And majority of respondents are graduate i.e. 49% and 1% respondent are SSLC/below and other qualification categories. 58% are Service people and contrary to that only 2%

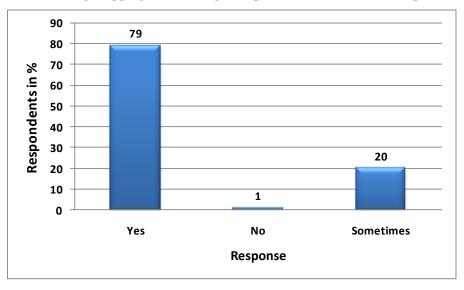
respondents are business people. 32% of the respondents fall under the monthly income category of Rs.40, 000-60,000 and 6% falls under the monthly income category of above Rs.80, 000.

# 4.2 Descriptive analysis

To analyse the consumers' information search behavior and shopping pattern the questions in following sections were asked from respondents and depicted on the charts as percentage vs response.

### 4.2.1 Do you use shopping websites to gather product information before purchase?

Chart 1: Visiting shopping websites to gather product information before purchase



From the chart 1, it can be observed that majority of respondents i.e. 79% visit the shopping websites to collect the information about products before purchasing. Only negligible numbers i.e. 1% of consumers respond that they don't visit the shopping websites to gather information about products. Remaining 20% of the consumers behave in such a way that depending on the requirement they visit the websites i.e. sometimes they visit sometimes not.

### 4.2.2 Do you visit the store to see product physically before purchase online?

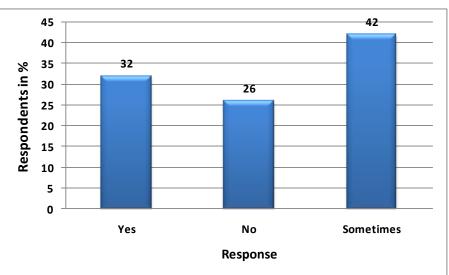


Chart 2: Visiting store to see product physically

The responses in chart 2 indicate that majority of the customers i.e. 42% visits the store sometimes to see the product physically before purchase online. This may due the nature of requirements based on which customers decide to research and see them physically.Whereas 32% customer visits the store to physically see the product before purchase online. But a significant number of consumers i.e. 26% don't think necessary

and purchase the products directly without feel them physically. The reason for this may be the past experience, repurchasing of the same products, or lack of time to go to store to research the product



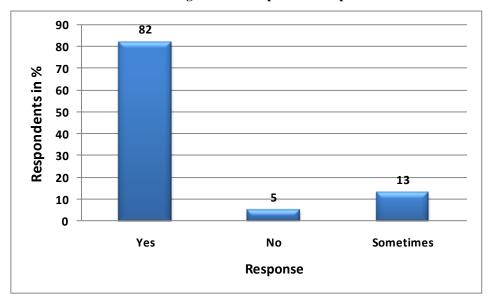
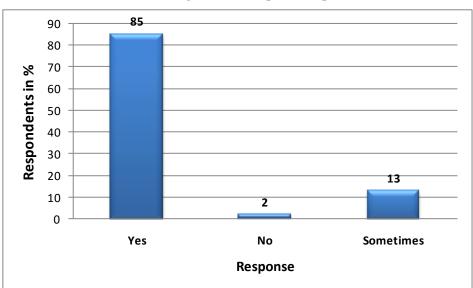


Chart 3: Using websites for product comparison

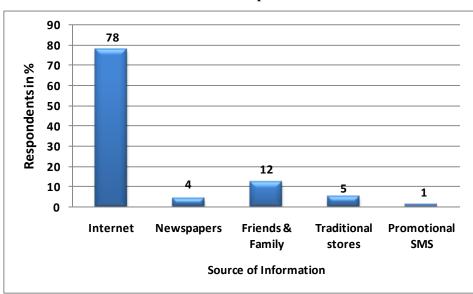
The above findings show that majority of the shopper i.e. 82% use online website for product brand comparision. The reason for this may be the convenience, less time consumption, less search cost etc. On the other hand only 5% shopper don't use website for product brand comparision. The consumers who may fall in this category may have little less knowledge about browsing or not much comfortable or even more purchasing power. But 13% of the consumers depending on the requirements compare the products and brands in shopping websites.

# 4.2.4 Do you use online websites for price comparison?



#### Chart 4: Using websites for price comparison

The responses in chart 4 show that majority of the shopper i.e. 85% use online websites for price comparison. Again the reason for this may be the convenience, less time consumption, less search cost etc. On the other hand only 2% consumers don't use websites for price comparision. The consumers in this category do not think necessary doing so. But 13% of the consumers depending on the requirements compare the prices using shopping websites. The price sensitive consumers can be placed in this category.

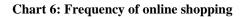


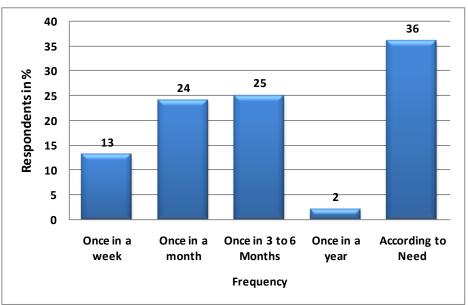
# 4.2.5 Which source do you use most to collect Product Information?

**Chart 5: Sources to collect product information** 

The above chart 5 shows that most of the consumers i.e. 78% use internet as a source to collect product information. The reason may be the less time consuming and the fewer searches cost. But 12% of the customers use the opinion of friends and family to get the information about products. In this case, consumers may believe this source as reliable. Only 4% consumers gather information about products from newspapers whereas 5% of consumers collect information about products from the source of traditional stores. From the chart it also can be seen that promotional SMS source is refered by only 1% of the consumers to gather product information.

### **4.2.6** What is your frequency of online shopping?





The result indicates that majority of shoppers i.e. 36% shop online according to need. It may be explained in such a way that based on the necessities only they will buy the products not for the enjoyment. But one-fourth of the consumers i.e. 25% do online shopping once in 3 to 6 months and 24% of the consumers buy products every month. Further, 13% of the consumers' frequency of buying the products is quiet high and they purchase products every week. These types of consumers may belong to high income group and may be fond of doing the online shopping. Finally, only 2% of the consumers purchase the products once in year.

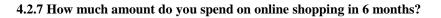
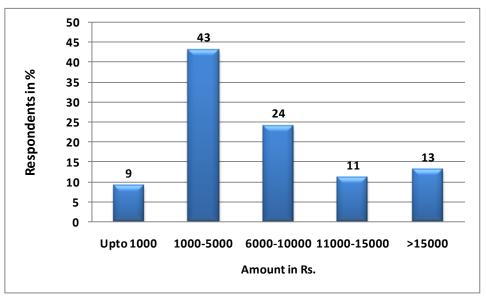
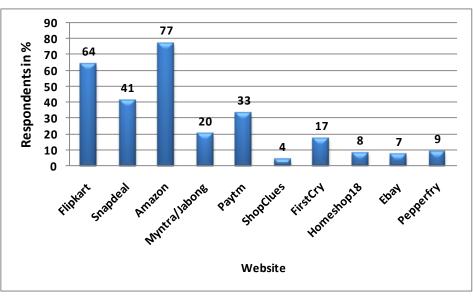


Chart 7: Amount spent in online shopping over six month period



The result indicates that majority of shoppers i.e. 43% spend 1-5K on online shopping in six months and 26% shoppers spend 6000-10,000 on online shopping in six months of period. Very less i.e. 9% shoppers spend upto 1000 only in online shopping every six months. But 13% of the consumers may be placed in high income group as their spendings are very high >15000 over six months of period.

### 4.2.8 Which online shopping website do you prefer?

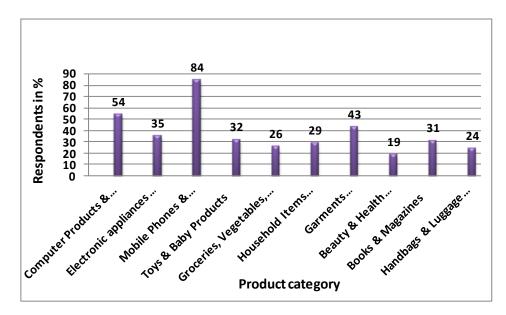


**Chart 8: Preference to online shopping websites** 

The result indicates that Amazon is the most preferred online shopping website as 77% consumers has given importance to this. Flipkart scored second position with 64% votes and Snapdeal scored third position with 41% votes. On the other hand Shopclues with 4% votes is the least pefered online shopping website.

### 4.2.9 What kind of products do you prefer to buy in online shopping?

### Chart 9: Preference to products in online shopping



The findings on preference to product categories can be explained based on the responses indicated in chart 9. The result shows that most of the online shoppers i.e. 84% preferred to shop for more mobile phone and accessories and 54% online shoppers preferred to shop for computer products and accessories. In constrast, only 19% online shoppers preferred to shop for beauty and health products. Moreover, 43% of the people are purchasing garments and clothings also. Toys and baby products are also one of the preferred category in online shopping even household items also are preferred by 29% consumers.

#### 5. Conclusion

The demographic statistics shows that majority of consumers are male, however female consumers also are in significant majority. Study reveals the facts that people of age group 30-39 are more involved in online shopping and the age group 20-29 also constitutes the significant portion of respondents. The majority of the consumers use the online websites for gathering the product information before purchase. Similarly, most of the consumers utilize the internet and online websites as most preferred source for product, brand and price comparison. As part of shopping pattern, frequency of purchase online is preferred according to need. Overall preference across websites and products is fairly distributed and consumers do online shopping across all the websites and products; however some websites and product categories need the attention of sellers to improve their performance. The results can also be used by various organizations to identify their target customer segments.

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