

## FACTORS AFFECTING ONLINE BUYING BEHAVIOUR OF YOUNG CONSUMERS IN HIMACHAL PRADESH

Patiyal Tanvi<sup>1</sup> & Dr Verma O.P.<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Commerce, Himachal Pradesh University, Shimla, India

<sup>2</sup>Professor, Department of Commerce, Himachal Pradesh University, Shimla, India

Received: April 29, 2018

Accepted: May 30, 2018

### ABSTRACT

*Increase in the internet has changed the old pattern of offering merchandise and ventures, strategies for correspondence and method for shopping. The Internet has built up another way of marketing and to get interfacing with their definitive consumers around the globe. The present study made an attempt to analyze the factors influencing the buying behaviour of consumers of Himachal Pradesh. A sample of 720 respondents has been collected from three districts i.e. Shimla, Kangra and Solan of Himachal Pradesh. A self-administered questionnaire was developed based on prior literature. In the study, it is found that there are predominantly seven factors which are exceedingly influencing the buying behaviour of consumers. Product information and advertising are the highest one and trust is the slightest factor in influencing the buying behaviour of a consumer.*

**Keywords:** *Buying behaviour, Consumers, Online shopping.*

### INTRODUCTION

With the increase of using the internet, the life of people also has changed. At first, the internet was used only for communication purpose (Reuters, 2010). But later on, the growth of the internet has made a great revolution in marketplace and business globally.<sup>1</sup> The invention of the internet has created a paradigm shift of the traditional way of people shop. Now a customer can become active at virtually any time and place and purchase products or services. The internet is a new medium at communication and number of internet users is increasing which also signifies that online purchasing is increasing.<sup>2</sup> Therefore, online shopping behaviour or internet shopping behaviour refers to the process of purchasing products or services via the internet.

In 1991, history witnessed the world of online where e-commerce becomes the hot choice among the businesses. At that time nobody has thought that online buying and selling would be that much famous in the world and India had also shared a good proportion of this success. After that in 2002, India first came to interaction with the e-commerce through IRCTC where tickets have been started booked online. In 2003, this trend has been followed by AirDeccan, Indian Airlines, Spicejet etc. Then after, many online shopping sites have been launched in India, like, Amazon, Myntra, Jabong etc. In the last few years, online shopping has been fascinating a number of consumers and in India it has become a trend. The reason behind adopting online shopping lies in the attractive websites, user friendly interface, easy payment method and bulky online stores with new fashion etc.<sup>3</sup> Therefore, it can be said that increase in technology increases the online shopping by the consumer and has created a favourable attitude towards online shopping.

### REVIEW OF LITERATURE

**Pawar, S. S., Dinkar, M.K., and Bhola, S. S. (2014)**<sup>4</sup> segmented the market on the basis of gender and finds that ease of shopping is the most important factors that influence buyers to shop online where as post purchase risk is the factor that influence non buyers not to shop online.

**Al-Debei, M.M., Akroush, M. N., and Ashouri, M. I. (2015)**<sup>5</sup> have found that consumer attitude towards online shopping is determined by trust, perceived benefit and perceived web quality.

**Kumar, A.N. (2015)**<sup>6</sup> tried to find out the type of shopping to be preferred i.e. online or offline shopping. Study revealed that most of people like to shop online because of unavailability of products. Consumers are moderately satisfied from the factors like looks, security, delivery time and return policy but the factors which are pulling back the consumers to shop online are lack of touch, feel, experience and resistance to change.

**Lim, Y.J., Osman, A., Salahuddin, S.N., Romle, A.R., and Abdullah, S. (2016)**<sup>7</sup> found that university students' purchase intention was influenced by family, friends and peers. The study also revealed that perceived usefulness and online shopping behaviour has weak relationship in Malaysia.

**Kumar, A., Kumar, S. and Gunasekaran, A. (2017)<sup>9</sup>** has focused on the determinants that are affecting the online purchase behaviour of millennial consumers. The study found that there is positive relationship between website design, layout and user interface which helped in searching and choosing right kind of product while purchasing online.

**Diaz, A., Gomez, M. and Molina, A. (2017)<sup>8</sup>** have found from the study that there is link between the use of technology and the consumer buying behaviour.

**Zhang, H., Zhao, L., and Gupta, S. (2018)** found that consumer product screening cost and decision making quality have significant influence on consumer loyalty whereas product screening cost is negatively associated with self reference and positively associated with deceptiveness and information overload.

Therefore, after going through the literature in India and outside, it helped in finding out that no substantial work has been done on online shopping behaviour of consumers in Himachal Pradesh. Therefore, the current study helped in identifying factors influencing the online buying behaviour of consumers.

## OBJECTIVE OF THE STUDY

To identify the factors influencing online buying behaviour of consumers.

## METHODOLOGY

To carry out research work, the area of study is confined to three districts of Himachal Pradesh viz. Shimla, Solan and Kangra. To accomplish the objective of the study primary data is collected through questionnaire method from the consumers of Himachal Pradesh. Multistage sampling is used to acquire the relevant information from the respondents. Thus 720 respondents are taken for collection of data. The data, thus, collected is analyzed with the help of SPSS. Factor analysis has been used to identify the factors which have impact on consumers. The 5-point Likert scale has been employed in the questionnaire for measuring responses of twenty-five variables which is ranging from 1. Strongly disagree 2. Disagree, 3. Neutrals 4. Agree, 5. Strongly agree.

## ANALYSIS AND ITERPRETATION

### Demographic Profile of consumers

Table 1

Descriptive Statistical Analysis for Demographic Profile of Respondents

Dimension		Number	Percentage
Gender	Male	374	51.9
	Female	346	48.1
Age	Below 18 years	240	33.3
	18-22 years	197	27.4
	22 years and above	283	39.3
Education	10+2	240	33.3
	Graduate/Diploma	273	37.9
	Post graduate	147	20.4
	Above PG	60	8.3
Monthly Household Income	Below 10,000	31	4.3
	10,000-20,000	176	24.4
	Above 20,000	513	71.3
Area	Shimla	240	33.3
	Kangra	240	33.3
	Solan	240	33.3
Family Structure	Nuclear	459	63.8
	Extended Family	234	32.5
	Joint Family	27	3.8
Using Internet	Yes	720	100.0
Years of Using Internet	Less than 2 years	53	7.4
	2-4 years	151	21.0
	4 years	516	71.7

Source: Data collected through questionnaire

Demographic profile of consumers' reveal that majority of consumer group fall in age group of above 22 years, another age group taken into study are below 18 years and 18-22 years. It has been found that male consumers do more online shopping as compare to female consumers. As far as education factor is concerned, majority of students who go for online shopping are graduates with the percentage of 33.9 and plus two students are in percentage of 33.3. Further, consumers who have monthly household income more than Rs 20,000 often go for online shopping. As far as education institution are concerned 33.3% each of young consumers of three districts that is Shimla, Kangra, and Solan are taken in which it is clear that graduate and post graduate do more online shopping as compare to school students. Study also reveals that consumers who live in nuclear family (63.8%) go for online shopping more frequently as compare to joint and extended families. Study also reveals that all young consumers are using internet and consumer who are using internet more than 4 year are in majority. Therefore, it can be said that demographic profile of consumers like their age, income, family size, their preferences, capacity to pay, choices are the factors which are influencing their behaviour.

## RESULT OF FACTOR ANALYSIS

### Descriptive statistical analysis of factors affecting the satisfaction level of consumers:

Table 1 explained, the descriptive statistics for factor affecting online shopping behaviour of consumers. The table shows the value of the mean, standard deviation, skewness and kurtosis for 25 variables. The table presents that the mean value is highest i.e. 4.04 in case of good communication with online seller and second highest is 3.99 in regular promotion activities of the online seller that affects the behaviour of the consumer. So, it can be said that promotion activities and good communication with the consumer are important variables which are affecting shopping behaviour of consumers.

Further, standard deviation presents the variation in the factors which are affection behaviour of consumers. Product quality is the variable which has highest standard deviation i.e. 1.119. In case of skewness most of the values are negative it means that they concentrate on the right side of mean and said to be negatively skewed. In case of kurtosis, values are less than three which depicts that distribution is leptokurtic which has a higher peak than normal distribution and most of the values are in peak concentrated around mean.

**Table 1**

**Descriptive statistical analysis of factors affecting the satisfaction level of consumers**

S. no.	Statements	N	Min.	Max.	Mean	Std. Deviation	Skewness	Kurtosis
1	Product information is easily available online.	720	1	5	3.48	.948	-.743	.038
2	Do not have time to go to shops and get product information, so it motivates to buy online	720	1	5	3.62	.874	-1.074	1.068
3	Online sites provide information of various kinds of products easily.	720	1	5	3.56	.907	-.837	.555
4	Features of products are easily understandable online.	720	1	5	3.62	.945	-1.002	.697
5	Provides the latest information.	720	1	5	3.54	.925	-.872	.676
6	Advertisement on cinema and television motivates to buy online.	720	1	5	3.76	.878	-.965	.998
7	Videos on shopping sites educate me for better than a salesman and motivate me to buy online.	720	1	5	3.89	.886	-1.116	1.375

8	Various ads on social media (Facebook, YouTube, blogs, twitter etc.) influence buying decision.	720	1	5	3.98	.910	-1.293	2.027
9	Frequent e-mails, messages regarding sales and attractive promotional activities attracts online buying.	720	1	5	3.77	.972	-.937	.809
10	Online sites provide the Lower price than shops.	720	1	5	3.84	.847	-1.331	2.294
11	More discounts attract towards online shopping.	720	1	5	3.60	.922	-.897	.532
12	Free gifts and coupons are attractive features to buy online.	720	1	5	3.29	1.026	-.304	-.767
13	Free delivery charges.	720	1	5	3.67	.973	-1.127	.921
14	Return policy is quick and easy.	720	1	4	3.14	.925	-.747	-.477
15	Consumers can track their online products at any time.	720	1	4	3.48	.764	-1.313	.807
16	Immediate emails when order is placed, shipped and delivered.	720	1	4	3.47	.728	-1.209	.721
17	The quality of the products sold online has more value than the products sold at shops.	720	1	4	3.22	.875	-.773	-.443
18	High price indicate high quality of product.	720	1	5	3.49	.931	-.456	-.487
19	More feedback and star rating about the product indicates good quality of the product.	720	1	4	3.13	.914	-.611	-.765
20	Product quality is important when to buy online.	720	1	5	3.08	1.119	-.133	-.898
21	Good customer care support.	720	1	5	3.63	1.037	-.775	-.151
22	Regular promotion activities of online seller affect my repeat purchase behaviour.	720	1	5	3.99	.850	-1.331	2.545
23	Good communication with online seller leads to purchase online.	720	1	5	4.04	.810	-1.632	4.193
24	The quantity and quality of products are same as order which increase credibility/trust.	720	1	4	3.43	.811	-1.314	.910
25	Secure payment gateway increase trust.	720	1	4	3.45	.819	-1.492	1.559

### Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin measure of sampling adequacy is to calculate intercorrelation among factor and BTS shows the relationships among variables. The range of KMO measure is between 0-1 (Hair et.al.2010.)

**Table 2**  
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.778
Bartlett's Test of Sphericity	Approx. Chi-Square	4526.138
	Df	300
	Sig.	0.000

Table 2 depicts that result of Kaiser-Meyer-Olkin measure is .778 which implies the adequacy of factor analysis and BTS is significant which less than .05 which is 0.000. This means that null hypothesis is rejected and the correlation matrix is not an identity matrix.

**Total Variance and Scree Plot**

**Table 3**  
**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	%of Variance	Cumulative %	Total	%of Variance	Cumulative %	Total	%of Variance	Cumulative %
1	4.927	19.709	19.709	4.927	19.709	19.709	2.904	11.617	11.617
2	2.478	9.911	29.620	2.478	9.911	29.620	2.500	10.000	21.617
3	1.977	7.909	37.529	1.977	7.909	37.529	1.964	7.857	29.474
4	1.454	5.817	43.347	1.454	5.817	43.347	1.831	7.322	36.796
5	1.261	5.046	48.392	1.261	5.046	48.392	1.732	6.928	43.724
6	1.175	4.701	53.094	1.175	4.701	53.094	1.710	6.840	50.563
7	1.007	4.027	57.121	1.007	4.027	57.121	1.639	6.557	57.121
8	.876	3.506	60.627						
9	.869	3.474	64.101						
10	.828	3.312	67.413						
11	.803	3.213	70.626						
12	.762	3.049	73.675						
13	.735	2.940	76.615						
14	.666	2.663	79.278						
15	.653	2.612	81.890						
16	.610	2.440	84.330						
17	.598	2.391	86.722						
18	.551	2.202	88.924						
19	.533	2.132	91.055						
20	.471	1.886	92.941						
21	.409	1.635	94.577						
22	.396	1.585	96.161						
23	.354	1.415	97.576						
24	.330	1.318	98.894						
25	.276	1.106	100.000						

**Figure 1**  
**Scree Plot**

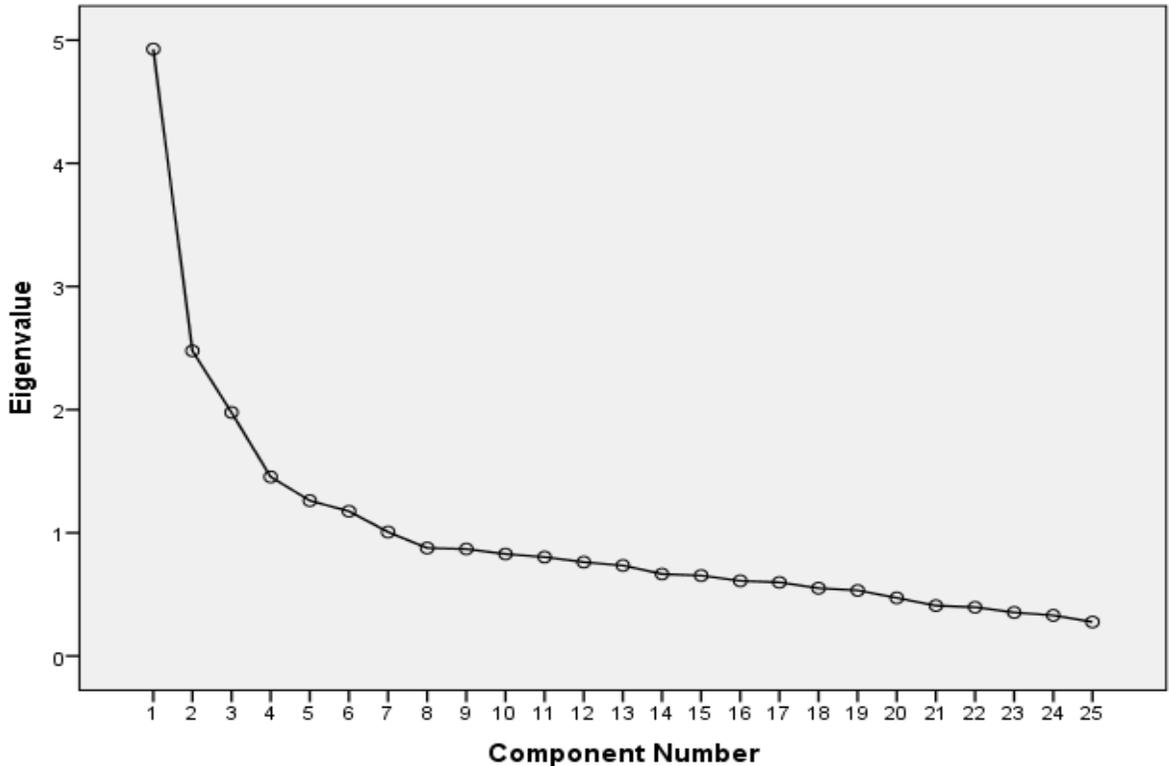


Table 3 presents the total variance and Figure 1 shows the screen plot. Total variance table determines the quantity of factors and this is done by using eigenvalues which is greater than 1(Kaiser, 1974). The table reveals that the first seven factors are the one who has eigenvalue is more than 1 and others are insignificant. Scree plot is a graphical presentation of Eigenvalues which shows the seven factors having Eigenvalues greater than 1.

**Component Matrix**

Table 4 shows the component matrix's result. Factor extraction helps in extracting the combination of variables that explain the greatest amount of variance (Hair et.al.2010). So, the table depicts that seven factors are extracted.

**Table 4**  
**Component matrix**

	Component						
	1	2	3	4	5	6	7
Product information is easily available online.	.465	.374	-.379	.247	-.035	.025	-.119
Do not have time to go to shops and get product information, so it motivates to buy online	.518	.358	-.369	.210	-.096	.117	-.175
Online sites provide information of various kinds of products easily.	.576	.283	-.280	.175	.161	-.014	-.074
Features of products are easily understandable online.	.469	.471	-.102	.155	.117	-.200	.276
Provides the latest information.	.442	.479	-.196	.058	.186	-.194	.278
Advertisement on cinema and television motivates to buy online.	.537	-.226	-.223	-.159	.099	-.206	-.172
Videos on shopping sites educate me for	.464	-.465	-.168	-.119	.058	-.075	-.300

better than a salesman and motivate me to buy online.							
Various ads on social media (Facebook, YouTube, blogs, twitter etc.) influence buying decision.	.524	-.264	-.269	-.107	.111	.016	-.396
Frequent e-mails, messages regarding sales and attractive promotional activities attracts online buying.	.432	-.499	-.046	-.169	.077	.255	-.025
Online sites provide Lower price than shops.	.622	-.149	-.069	.062	-.227	.227	.134
More discounts attract towards online shopping.	.448	-.039	.440	.148	-.409	-.051	-.095
Free gifts and coupons are attractive features to buy online.	.306	.062	.238	.589	-.070	.045	-.014
Free delivery charges.	.419	-.133	.259	.125	-.569	-.005	-.112
Return policy is quick and easy.	.324	.180	.437	-.210	.025	-.416	-.088
Consumers can track their online products at any time.	.414	.273	.329	-.269	.100	-.312	-.113
Immediate emails when order is placed, shipped and delivered.	.497	.206	.066	-.490	-.110	.016	-.036
The quality of the products sold online has more value than the products sold at shops.	.292	.117	.502	-.126	.318	.020	.035
High price indicate high quality of product.	.435	-.090	.479	.257	.017	.125	.004
More feedback and star rating about the product indicates good quality of the product.	.342	-.082	.452	.060	.282	.379	.157
Product quality is important when to buy online.	.220	.243	.229	-.040	.454	.312	-.278
Good customer care support.	.266	-.402	-.078	.348	.309	.085	.099
Regular promotion activities of online seller affect my repeat purchase behaviour.	.577	-.507	-.129	.031	.033	-.236	.205
Good communication with online seller leads to purchase online.	.431	-.487	-.028	-.023	.045	-.287	.430
The quantity and quality of products are same as order which increase credibility/trust.	.311	.046	-.170	-.442	-.098	.425	.337
Secure payment gateway increase trust.	.474	.390	-.051	-.249	-.283	.243	.105

**Extraction method: Principal Component Analysis**

**a. Seven components extracted.**

**Rotated Component Matrix**

Table 5 explained the result of a rotated component matrix. The table reports that seven factors are extracted through factor analysis that is product information, advertisement, price, service quality, product quality, communication and trust.

**Table 5  
Rotated Component Matrix**

Variables	Components						
	1	2	3	4	5	6	7
1	.719	.164	.112	-.054	-.056	-.103	.060
2	.702	.225	.181	-.077	-.035	-.165	.141

3	.682	.255	.034	.065	.119	.027	.049
4	.679	-.151	.013	.254	.080	.213	.078
5	.682	-.110	-.123	.253	.051	.201	.128
6	.208	.600	.013	.199	-.044	.219	.060
7	-.004	.728	.104	.044	.009	.170	.006
8	.191	.744	.047	.032	.041	-.002	.052
9	-.123	.551	.101	-.122	.250	.248	.265
10	.259	.287	.406	-.110	.135	.255	.360
11	.027	.066	.714	.254	.107	.054	.045
12	.304	-.081	.493	-.091	.284	.072	-.268
13	.003	.148	.745	.100	-.074	.053	.125
14	.039	.025	.174	.713	.088	.056	-.045
15	.167	.092	.087	.692	.140	-.013	.066
16	.159	.223	.088	.448	.032	-.049	.510
17	-.004	-.021	.036	.429	.529	.041	.047
18	.056	.058	.474	.125	.492	.131	-.049
19	-.030	.010	.162	.036	.716	.126	.154
20	.163	.139	-.124	.154	.583	-.341	.017
21	.102	.287	.024	-.287	.330	.379	-.211
22	.106	.477	.169	.043	.021	.659	.035
23	-.008	.250	.092	.088	.021	.781	.066
24	.077	.072	-.076	-.075	.098	.114	.763
25	.369	-.003	.220	.162	.015	-.112	.606

**Extraction Method: Principal Component Analysis**

**Rotation Method: Varimax with Kaiser Normalization**

**Rotation Converged in 8 iterations.**

#### **Reliability Statistics:**

Table 6 shows the result of reliability statistics. The table reveals Cronbach alpha value based on standardized items obtained is .822 which shows the high reliability of the scale.

**Table 6**  
**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.816	.822	25

#### **CONCLUSION**

The factor analysis results for identifying the factors affecting online shopping reveals that there are only seven factors which are significant and having eigenvalue greater than one and extracted from 25 variables. In this way, the study found that these components are exceptionally spurring factors towards online shopping in which product information and advertisement is profoundly inspiring and trust is the slightest impacting factor. As the internet is a bleeding edge promoting channel which is used by advertisers, marketers and society. The Internet is getting access to urban as well as rustic zone and everyone is getting affected by it. The results of the study can be useful for practitioners in redoing their techniques for online shopping. It is found in the study that trust is the slightest factor which impacting them towards online shopping so companies can attempt endeavors in working up the trust of consumers. Delivery in a rural area is likewise an essential issue which needs to be thought. Companies should take steps in these areas so that they can magnetize more consumers in the future.

#### **REFERENCES**

- Ahmad, R. A., Hoda, N., Melibar, A., Alhazmi, B., & Althubiani, M. (2015). Determinants of Online Shopping Behaviour of Social Media Users in Saudi Arabia: An Exploratory Study. *Winter Global Conference*. Tinges, France.
- Jaines, L.J., Scherer, W.C. and Scheufele, A.D. (2003). Exploring Motivation for Consumer Web Use and Their Implication for E-Commerce. *Journal of Consumer Marketing*, Vol. 20 (Issue 2), pp. 90-108.
- Dudhewala, A. (2014). E-Commerce in India - Past, Present and Future. Retrieved from HYPERLINK "<http://www.iamwire.com/2014/07/e-commerce-in-india-past-present-future/27805>"  
<http://www.iamwire.com/2014/07/e-commerce-in-india-past-present-future/27805>

4. Pawar, S. S., More, D. K., and Bhola, S. S. (Aug. 2014). Online Buying Behavior of College Students. *International Streams Research Journal, Vol. 4 (Issue 7)*, pp. 1-11.
5. Al-Debei, M. M., Akroush, N. M., & Ashouri, I. M. (2015). Al-Debei, M. M., Akroush, M. N., & A Consumer Attitude Towards Online Shopping: The Effect of trust, Perceived benefits, and Perceived Quality. *Internet Research*, 25 (5), 707-753.
6. Kumar, A.N. (2015). Consumer Behavior on Traditional and Online Shopping. *International Journal of Engineering, Management and Science. Vol.2 (Issue 5)*, pp. 84-7.
7. Lim, Y., Osman, A., Salahuddin, S., Romle, A., & Abdullah, S. (2016). Factors Influencing Online Shopping Behavior: The Mediating Role of Purchase Intention. *Procedia Economics and Finance*, 401-410.
8. Diaz, A., Gomez, M., and Molina, A. (2017). A Comparison of Online and Offline Consumer Behaviour: An Empirical study on a Cinema Shopping Context. *Journal of Retailing and Consumer services*, Vol.38, pp. 44-50.
9. Kumar, A., Kumar, S. and Gunasekaran, A. (2017). An Empirical Study on the Factors Affecting Online Shopping Behavior of Millennial Consumers. *Journal of Internet Commerce, Vol. 16 (No. 3)*, pp. 219-230.
10. Zhang, H., Zhao, L., and Gupta, S. (2018). The Role of Online Product Recommendations on Customer Decision Making and Loyalty in Social Shopping Communities. *International Journal of Information Management, Vol. 38*, pp. 150-166.
11. Reuters. (2010). Retrieved 412,2012 from [www.reuters.com](http://www.reuters.com)
12. Kaiser, H. F. (1974). An index of factorial simplicity. *Psychometrika*, 39(1), 31-36
13. Hair, J. F., Jr., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate Data Analysis*. Upper Saddle River, NJ: Pearson Prentice Hall.
15. Field, A. (2005). *Discovering Statistics Using SPSS*. London: SAGE Publication.
16. [www.internetworldstats.com/top20.htm](http://www.internetworldstats.com/top20.htm)
17. [www.ismai.in/rsh\\_pay.aspx](http://www.ismai.in/rsh_pay.aspx)