

Factors Affecting Online Purchase Decision: An Empirical Study

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Abstract

With the advent of smartphones and tablets, digital marketing has redefined consumer behavior. In addition, the rise of social media sites like Amazon has transformed customer shopping habits. With digital marketing, consumers can readily distinguish items. The study examines the impact of digital marketing on customer behavior. Convenient sampling was used to choose 235 respondents from Kurukshetra and Karnal districts. The data was analyzed using SPSS 16. The study looked into what influences internet shopping behavior. The survey found that digital sales of convenience products had grown. This study found that internet marketing is growing and will soon impact all key consumer purchase decisions.

Keywords: Consumer, Digitalization, Digital Shopping, Online Transactions

1. Introduction

The internet is fast altering the way customers purchase and acquire goods and services. Many businesses are turning to the internet to decrease marketing expenses and lower product and service prices in order to compete in increasingly competitive marketplaces. With the growth of e-commerce, academics continue to study E-consumer behavior from many angles. Many of their investigations evaluate the validity of novel emergent elements or assumptions based on established consumer behavior models.[1]

Customers utilize the internet to evaluate costs, product characteristics, and after-sale service options before making a purchase. Many experts are bullish about internet commerce.

New Zealanders are educated, read, and prepared to spend money online. If E-marketers understand the aspects that influence consumers' online purchasing decisions, they may build marketing tactics to convert new customers and maintain existing customers. This study should help us better understand online customer behavior. E-marketers will also gain useful insights on how to establish successful tactics to succeed in the competitive electronic economy. Because Internet purchasing is still new in Malaysia, little is known about consumer behavior and the variables that drive it (Haque, Sadeghzadeh&Khatibi, 2006). According to Wu (2003), four primary psychological aspects impact customer buying behavior: motivation, perception, belief, and attitude. Online purchase intent measures a consumer's intent to make a certain online purchase.

The growing usage of the internet in India presents new opportunities for E-marketers.

2. Literature Review

Web page design influences consumers' online buying decisions. According to Ho and Wu (1999), homepage appearance affects consumer happiness. Other antecedents, such as logical support, technology features, information features, and product features, also predict happiness. Ranganathan and Ganapathy (2002) discovered four critical elements of B2C web sites: information content, design, security, and privacy. They observed that while all of these factors influence purchase intent, security and privacy had the greatest impact on online shoppers. And Rego (1998) studied what makes commercial web pages popular. Online shopping allows people to shop anytime they want, wherever they are, 7 days a week, 24 hours a day (McKinney, 2004; Kim & Kim, 2004). Unlike conventional buying, customers may enjoy online window browsing without feeling obligated to buy (Khatibi, Haque, & Karim, 2006).[2][3]

Despite these motivating considerations, additional transactional obstacles appear to be impeding India's adoption of electronic commerce. For most customers, the problem of online security and trust is the biggest deterrent to using internet commerce. Internet security flaws have done little to enhance customer trust in the internet as a commerce channel (Petronas and Seri, 2001). Skills, resources, and opportunities that are perceived as either constraining or enabling conduct are

referred to as perceived behavioral control. It covers both internal (e.g., a person's talents and abilities) and external (e.g., opportunities and facilities) control.[4]

3. Study goals

The article's main goal is to examine important elements impacting internet buying behavior.

Methodology

The study examines the impact of digital marketing on customer behavior. Convenient sampling was used to choose 235 respondents from Kurukshetra and Karnal districts. The data was analyzed using SPSS 16. This study looked at Flipkart, Amazon, and Myntra.[5] The study included 235 respondents, 136 men, and 99 women. The age range of 25-30 years had the most replies (87), followed by 120-25 years (81). In terms of education, the bulk of respondents (138) are high school graduates, followed by post-graduates (97). Out of 235 responders, 84 are rural and the rest are urban.

Table- 1: Demographic Profile of the Respondents

Particulars	Demographics	Frequency
Gender	Male	236
	Female	299
	Total	535
Age	15-20	25
	20-25	81
	25-30	87
	30-35	37
	35 above	5
	Total	235
Education	Under Graduation	138
	Post-graduation	97
	Total	235
Area	Rural	84
	Urban	151
	Total	235

Source: Primary data

4. Conclusions

The data are analyzed using SPSS 16.0 statistical software. Factor analysis reduces data. To remove the factors, PCA is employed with varimax rotation. Table 2 shows the factor analysis results. The Kaiser-Meyer-Olkin criteria is used to keep multiple Eigenvalues. The Bartlett sphericity test is also used. The Bartlett test

should be less than 0.003 and KMO should be 0.500-1. The KMO score was 0.771, and the Bartlett test result was 0.00. This means the data can be factored. Cronbach's alpha is also used to verify internal consistency and dependability. Cronbach's alpha must be at least 0.60 (Malhotra, 2012), which is adequate with these data.[6][7]

Table 2 Descriptive Names of Factors

Factor	Descriptive Names of Factors	Eigenvalue	Variance (%)	Cumulative Variance
F1	Website Design Factor	5.517	37.586	37.586
F2	Website Reliability Factor	1.601	12.007	49.593
F3	Website customer service factor	1.567	9.834	59.427
F4	Website Privacy and Security Factor	1.354	4.770	64.197

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

After principal component analysis, Eigenvalue should be greater than 1. Four components with Eigenvalue > 1 are retrieved. Website Design Factor (F1), Website Reliability Factor (F2), Website Customer Service Factor (F3), and Website Privacy and Security Factor (F4) (F4).[8][9] All variables explained 64.197 percent variation. The first component explained 37.586% of the variation.

Factor -1 Website Design Factor

Variables	Mean	SD
It is quick and easy to complete a transaction at this website	3.44	1.18
This site has competitive prices	3.42	1.18
This website has a good selection	3.42	1.16
This website understands my needs	3.38	1.19
The website provides in-depth information	3.37	1.13

I feel comfortable in surfing this site	3.32	1.24
The site doesn't waste my time	3.24	1.14
The level of personalization at this site is about right, not too much or too little	3.19	1.15
Overall Mean of Website Design Factor	3.45	1.17

Source: Primary data

The ease of navigating had a lower mean, implying that online buyers were dissatisfied. This negatively impacted buyers' online purchasing experiences. Online Indian purchasers were less happy with understanding consumer wants (3.38), and in-depth information (3.37). [18] Online Indian customers ranked website design worse than the general average. This aspect gave a low score to personalization. Online shoppers were happier with checkout, pricing, and product selection than the amount of personalization. Lack of personalization may drive away potential online shoppers who cannot always find what they want.[10][11][12]

Factor 2- Website Reliability Factor

Variables	Mean	SD
The product that came was represented accurately by the website	4.07	1.02
You get what you ordered from this website	3.94	0.94
The product is delivered by the time promised by the company	3.65	1.10
Overall mean of Website Reliability/ Fulfilment Factor	3.89	1.02

Source: Primary data

Shoppers ranked website reliability/fulfillment the highest. This meant they liked E-retailers' honesty more. Online purchasers' satisfaction with E-retailers' fulfillment and reputation was reflected in both factor and website variable mean scores. The variables all outperformed the overall factor mean of 3.50. Clearly, internet shoppers were pleased to receive the exact things they saw online. They gave E-retailers a somewhat lower mean of 3.65. Customers were nonetheless concerned about delivery time.[13]

Factor 3- Website Customer Service Factor

Variables	Mean	SD
The company is willing and ready to respond to customer needs	3.55	1.04
Inquiries are answered promptly	3.55	1.06
When you have a problem, the website shows a sincere interest in solving it	3.44	1.07
Overall mean of Website Customer Service Factor	3.51	1.06

Source: Primary data

A perceived average score of 3.50 was given to the website customer service component by online Indian buyers. Prompt response and client demands were equally equal, with issue solutions significantly lower. This means internet shoppers were happy with the service they received.[14]

Factor 4- Website Privacy/Security Factor

Variables	Mean	SD
I feel safe in my transactions with this website	3.19	1.14
This website has adequate security features	3.17	1.14
I feel that my privacy is protected at this site	3.05	1.12
The overall mean of Website Privacy/Security Factor	3.13	1.13

Source: Primary data

Online Indian shoppers evaluated the website privacy/security element much lower than the overall perception of a website with a mean score of 3.50. This factor's mean score was 3.13. The mean of this factor's three variables was 3.19, 3.17, and 3.05, respectively. The privacy/security aspect had a much lower mean score, indicating that consumers viewed it as a potential barrier to online shopping.[15]

5. Findings and Advice

Personal data and financial security were close to neutral among online Indian shoppers. To reassure them, the transactions are secure, however, the issue is now more psychological than financial or technological. Online Indian customers view these four variables differently. Consumers were pleased with the E-retailers' ability to deliver on their promises and their honesty. The most important feature for online Indian customers is website reliability/fulfillment, which helps

to encourage online shopping and keep present online shoppers.[16][17]

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