



A STUDY ON CYBER CONSUMER BEHAVIOR IN MADURAI CITY

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Abstract: *Electronic commerce is rapidly changing the way people do business all over the world. In the business-to-consumer segment, sales through the web have been increasing dramatically over the last few years. Several academics and practitioners have identified the “online shopping experience” or “virtual experience” as a crucial e-commerce marketing issue. Understanding the mechanisms of virtual shopping and the behavior of the online consumer is a priority issue in the fast expanding virtual marketplace. Given the continuous expansion of the Internet in terms of user numbers, transaction volumes and business penetration, Customers not only those from well-developed countries but also those from developing countries, are getting used to the new shopping channel .More than 20 per cent of Internet users in several countries are online buyers of products and services while more than 50 per cent of US net users are regularly buying online. These developments are gradually transforming e-commerce into a mainstream business activity while at the same time online consumers are maturing and virtual vendors realize the importance and urgency for a professional and customer-oriented approach as online customer is not simply a shopper but also an information technology user. This study is aimed at outlining the most relevant behavioral characteristics of online consumers and examines the ways in which they find, compare and evaluate product information. The purpose of this study is to analyze the factors influencing the online consumers’ behaviour and to provide suggestions for facilitating visitors into customers and encourage customer loyalty and referrals.*

Keywords: *online consumers, behavioral pattern, search pattern , purchase decisions.*

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INTRODUCTION

Internet is a new information technology device that has dramatically changed the way we live. It has become an integral part of the modern life across the world. With abundance and diversity of information, easily found and conveniently shared facilities, Internet use has grown exponentially reshaping peoples' informational and social needs. As Internet usage rapidly grew and spread across the country, it fuelled the growth of Internet commerce. The term "Internet Commerce" refers to online transactions where an organization sells its products or services to consumers over the Internet. Internet commerce exploded and became a normal part of everyday life of consumers. It provided both organizations and consumers, with endless options to choose from for various transactions. Consumers on one hand have the ease of choice, the comfort of shopping from home and an endless variety of products, while saving time and money. As Indian consumers turned to the Internet to tap into this explosion, Internet commerce has become an important business initiative. Online consumer behavior is a broad and interesting area of study that can benefit organizations in their efforts to market and sell products online. There are four distinct consumer groups with different intentions and motivations as Exploration, Entertainment, Shopping and Information.

STATEMENT OF THE PROBLEM

As consumers' attitude towards online shopping is a prominent factor affecting actual buying behavior, this research attempts to investigate a modest part of that area and to focus on examining the factors that predict and explain the satisfaction of the online customer. It becomes imperative to understand the attitudes and experiences of consumers to succeed. This study aims at improving the understanding of online consumer behavior by investigating attributes and preferences as they form a prominent factor influencing actual buying behavior.

OBJECTIVES OF THE STUDY

The study is undertaken with the following objectives:

- To identify the Information Retrieval and Search Patterns of online consumers.
- To analyze the factors influencing the online consumer's behavior
- To examine the purchasing decision of online consumers.



METHODOLOGY

The study is based on sample survey method. The sampling frame consists of 50 consumers from the city of Madurai. The city is one of the largest and most developed cities in Determinants of Purchase Behavior of Online and is fast emerging as the IT hub of Tamilnadu. Since the focus of this study is on different attitudes and perceptions about online purchasing, only Internet purchasers are considered. For this study, Internet purchasers are defined as those who purchased at least one product or service through the Internet during the last 12 months.

RESEARCH TOOL EMPLOYED

The study depended entirely on Primary data and the data were collected through a questionnaire designed exclusively for the study after an extensive review of Internet commerce literatures. The questionnaire has two parts. Part I consists of general information about respondents' background. Part II consists of questions relating to attitudes and perceptions. The questionnaire was administered in English to customers near office premises, shopping malls, colleges and Internet centers.

ANALYSIS AND DISCUSSION

Table 1: Gender of the Respondents

S.No	Gender	No. of Respondents	Percentage to total
1	Male	32	64.00
2	Female	18	36.00
3	TOTAL	50	100.00

Source: primary data

Table 1 highlights that the majority of the respondents constituting 64% of purchasing online are males compared to female consumers as they constitutes only 36% of the total sample considered for the study.

Table 2: Age of the Respondents

S.No	Age in Years	No. of Respondents	Percentage to total
1	Less than 25	10	20.00
2	25 – 35	23	46.00
3	36 – 45	11	22.00
4	Above 45	6	12.00
5	TOTAL	50	100.00

Source: primary data



There has been strong evidence that age has an effect on consumers' perception. The study discloses that middle aged consumers have a preference to purchase online and online purchasers tend to be more educated that constitute 46%. Internet users in India vary significantly across age groups.

Table 3: Occupation of the Respondents

S.No	Occupation	No.of Respondents	Percentage to total
1	IT Professionals	22	44.00
2	Government Employees	5	10.00
3	Business	12	24.00
4	Students	9	18.00
5	Others	2	04.00
6	TOTAL	50	100.00

Source: primary data

Occupation is one of the major factor that decides cyber purchase and the table 3 shows that the majority of cyber consumers are IT Professionals and Business People as it Constitutes 44% and 24% of the total respondents respectively.

Table 4: Source of Information about Websites

S.No	Source of Information	No. of Respondents	Percentage to total
1	Search Engines	38	76.00
2	Word of Mouth	8	16.00
3	Offline Resources	4	08.00
4	TOTAL	50	100.00

Source: primary data

Table 4 reveals that the source of information the respondents select the websites for making cyber purchase and 76 % of respondents enter into online purchase using search engines like Google, Live, Amazon etc.

Table 5: Respondents Selection of Websites

S.No	Factors	No. of Respondents	Percentage to total
1	Standard Websites	32	64.00
2	Auction Based Websites	16	32.00
3	Shopping Engines	2	04.00
4	TOTAL	50	100.00

Source: primary data

Selection of websites plays a vital role in cyber purchase and table 5 vividly brings to light that the majority of the respondents constituting 64% do shopping through standard



websites (Yahoo, Rediff etc) and 32% through auction based websites (ebay.com) and only 4 % purchase through shopping engines (Shopping.com, shopzilla etc)

Table 6: Frequency of shopping online

S.No	Frequency	No. of Respondents	Percentage to total
1	Many a times a week	14	28.00
2	Once a week	5	10.00
3	Once in two weeks	5	10.00
4	Once a month	17	34.00
5	Almost never	9	18.00
6	TOTAL	50	100.00

Source: primary data

Regarding the frequency of cyber purchase table 6 reveals that respondents constituting 34% buy once a month online and 28% of respondents purchase many a times a week.

Table 7: Respondents Visiting a Retail Store before making Online Purchase

S.No	Visiting retail shop before online purchase	No. of Respondents	Percentage to total
1	Yes	22	44.00
2	No	28	56.00
3	TOTAL	50	100.00

Source: primary data

Even though consumers have the ease of choice, the comfort of shopping from home for an endless variety of products, that save time and money, table 7 shows that the respondents constituting 44 % are visiting the retail store before making online purchase to know about the product details.

Table 8: Factors deciding cyber purchase

S.No	factors	No. of Respondents	Percentage to total
1	Design	4	08.00
2	Price	21	42.00
3	Name of the Website(Brand)	4	08.00
4	Friend referral	2	04.00
5	Design & Price	19	38.00
6	TOTAL	50	100.00

Source: primary data

The decision-making process in cyber purchase consists of a variety of factors like brand, name, design, price, friend, referral etc. Table 8 unfolds that pricing policy is a major deciding factor that constitutes 42 % and 38% of respondents felt that pricing with design of website is a major factor that decides cyber purchase.



Table 9: Average Price range that respondents purchase online

S.No	Price in Rs	No. of Respondents	Percentage to total
1	Below 500	16	32.00
2	501 – 750	21	42.00
3	751 –1000	7	14.00
4	1001 – 1500	4	08.00
5	Above 1500	2	04.00
6	TOTAL	50	100.00

Source: primary data

Table 9 highlights that the respondents constituting 42% make purchase in the range between 501 – 750 and 32% of the respondents make cyber purchase less than 500 so as to make safer purchase.

Table10: Respondents mode of contacting a website to Queries

S.No	Mode of Contact	No. of Respondents	Percentage to total
1	Phone	23	46.00
2	E-mail	17	34.00
3	Live Chat	10	20.00
4	TOTAL	50	100.00

Source: primary data

Table 10 vividly brings to light that 46% respondents have chosen phone to clarify their doubts during cyber purchase as they may feel comfortable to get sufficient details about the product and market. The next convenient mode was the email (34%) chosen by of the online buyers, the study period.

Table 11: Factors deciding repeated cyber Purchase

S.No	Factors	No. of Respondents	Percentage to total
1	Price	25	50.00
2	Fast Shipping	10	20.00
3	Quality Product	9	18.00
4	Return Policy	2	04.00
5	Customer Service	4	08.00
6	TOTAL	50	100.00

Source: primary data

Retaining the existing customers is an integral part of business. The table 11 reveals the factors that decide the repeated purchase online and majority of the respondents (50%) felt that price is the major factor that makes them purchase online due to the synchronization of online and offline pricing. Fast shipping and Quality do contribute to their repeated purchase.



Table 12: Factors Influencing Product Research

S.No	Factors	No. of Respondents	Percentage to total
1	Comparison Chart	11	22.00
2	Expert Reviews	10	20.00
3	Shared shopping Lists	1	02.00
4	User Reviews	28	56.00
5	TOTAL	50	100.00

Source: primary data

Extensive problem-solving behavior occurs when a consumer engages in a decision making process without the established evaluation criteria towards multiple product types. Consumers find product research activity to be a rather involved activity and require a high level of concentration in order to gain a satisfactory level of information. Majority of the respondents research the product through user reviews (56 %) and through comparison charts (22%) while making cyber purchasing decisions.

Table 13: Amount of time consumers are willing to wait for a page to load

S.No	Waiting Time for loading	No. of Respondents	Percentage to total
1	Instant	4	08.00
2	1 Second	13	26.00
3	5 Seconds	19	38.00
4	10 Seconds	10	20.00
5	20 Seconds	4	08.00
6	TOTAL	50	100.00

Source: primary data

One of the main characteristics of online users is the growing lack of patience for shopping. A consumer engages in product research, feature and price comparison, has to wait for even 20 seconds. It is clear from the above table that 20% of respondents waited for 10 seconds for a page to load.

Table 14: Privacy and security related Factors

S.No	Factors	No.of Respondents	Percentage to total
1	Address, Contact details of Online business	10	20.00
2	Websites also have Offline Store	16	32.00
3	Well Known and Respected Websites	9	18.00
4	Online Sellers related to local area.	2	04.00
5	Acknowledgement of every transaction (email)	13	26.00
6	TOTAL	50	100.00

Source: primary data



Table 14 reveals the privacy and security related factors that influence the consumers to purchase the products online. Respondents constituting (32%) perceived that the sellers with both offline and online store are more reliable source that they can trust to make secure cyber purchase. While 20% of respondents relied on address or contact details of online business, 18% of respondents relied on well known and respected websites.

SUGGESTIONS:

Given the complex, dynamic and continuously evolving character of the Internet it is obvious that the Web experience is an issue with a multi-faced and dynamic character. New methods, technologies and tools for enriching and enhancing the online experience are frequently emerging as a result of technological advancements, market trends or as a response of Web vendors to the changing online population. The findings confirm that online consumer behavior is still immature and the suggestions would help in facilitating cyber visitors into customers and encourage customer loyalty and referrals. Following are some of the suggestions that emanate from the study.

- ✓ Ensuring the cyber consumers with proper security authenticated tools like password, encryption, digital signature etc.
- ✓ Ensuring the privacy and confidentiality of the transactions.
- ✓ Creating awareness about the usage and purpose of cyber purchase and its related processes, procedures,
- ✓ Usage of appropriate marketing tools and marketing mix so as to attract and retain the cyber consumers by the web vendors.
- ✓ Provision of proper grievance redressal and complaint handling mechanisms so as to ensure trust and safety.
- ✓ Effective implementation of cyber laws so as to protect the cyber consumers from cyber fraud and crimes.
- ✓ Enable the web users with easy access, user friendly, interactive system.
- ✓ Cyber consumers must be aware of the licensing of websites and their background.

CONCLUSION

Research on the buying behavior and the factors influencing the decision-making process of online consumers revealed similarities as well as differences between them and the traditional customers. The study disclosed that Web consumers experienced curiosity and



happiness of purchase during the virtual interaction. This study identifies the main constituents of the Web experience as being:

- ✓ the *functionality* of the Web site that includes the site's usability and interactivity;
- ✓ the *psychological* elements intended for lowering the customer's uncertainty by communicating trust and credibility of the online vendor and Web site; and .
- ✓ the *aesthetic* aspects of the online presentation and the marketing mix.

This study could help online marketers and Web site designers to identify issues requiring special attention when designing and building their online firm or evaluating their existing online venture. Finally, the Web experience must be regarded as a dynamic and evolving subject rather than a static one; developments in the virtual marketplace, changing customer techno graphics and technological innovation will present e-marketers with new tools and methods for enhancing their customers' online experience. In that respect this study depicts the current picture of the cyber consumer behaviour , a good starting point for further research in the direction of developing a model on the online buying behavior.

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