

Influence of E-Commerce On Consumer Purchasing Behaviour

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Abstract

Today e-commerce has become very big and booming industry and is generating huge business through e-trading. The rapid growth of E-commerce sector has a huge impact on market. The success of e-commerce totally depends on the responses of consumers and their Purchasing behaviour. Reduced middle level of business, competitive pricing and door step delivery are the keys of success. Many studies show that this industry has overcome the traditional marketing practices, giving incentives to consumers Purchasing behaviour, leading to huge accumulation of higher demand in this sector. Indian market is considered as potential market as e-commerce is extracting huge business from the same. This research intends to study the current available literature on e-commerce and its related studies. The research focuses on the status of e-commerce in India, e-commerce and technology adoption, the socio-economic impact of e-commerce, e-commerce and consumer Purchasing decision making and e-commerce benefits and its success. The innovations in technology are coming out very fast and get adopted in market too. The adoption of technology in consumer's life can change their expectations as life progresses. Hence inventions in e-commerce and its business style can be responsible for change in the Purchasing behaviour.

Keywords: *Consumer Purchasing, Decision Making, E-Commerce, E-Commerce Benefits, Socioeconomic Impact.*

1. INTRODUCTION

Electronic commerce was defined in 1996 as "transacting business via electronic means". Internet, unlike customary media, covers all stages of Purchasing from identification of needs and the required information for Purchasing the item and the after Purchasing services. No other public Media has such features. The new media has changed the manner in which customers behave while Purchasing. Evaluation of the process of purchasing and the customer behavior is of great importance for the electronic commerce companies as it affects the attention of customers, boosting sales and increasing the productivity.

E-satisfaction and nature of electronic service assume an essential part in globalization of the electronic commerce. Top notch service is a key to the success of any retailer in the competitive environment that serves the worldwide electronic commerce. Generally experienced and successful companies in electronic commerce have understood that the success or failure factor isn't just their presence in the web, however is the electronic transfer of top-notch services. Recent researches showed that low price and advancement won't be considered as important factors influencing the Purchasing decisions of customers, while, Internet customers will address higher costs for excellent services offered by electronic retailers.

In recent years, E-Commerce sites increasingly use agent-based systems for giving labor and products to their customers. In online business, normally without seeing the real items, customers give their item preferences through items' attributes. Based on this, the agent-based systems suggest the items to the buyers. Very often the customers typically change their preferences in the item attribute values when they really come across them and have a real feeling of the items. This can happen in any market, whether it is online or conventional. One of the possible reasons could be due to the buyer's or his/her agent's ambient intelligence and the encompassing effects. The greater part of the agent-based systems does recommend the items utilizing the customary methods of customers' preferences and the historical information of market exchanges.

Customers interface with sellers in cyberspace through the sellers' websites or through 'malls or marts' Websites. Like user interfaces in ordinary processing, this interface could be a major success factor, and by and large it is the major factor that determines buyers' willingness to purchase on the Net. Therefore, it isn't astounding that during the most recent year, one gets inundated with an avalanche of tips, deceives, do's and don'ts, "sins," and advice on the best way to fabricate an effective E-Commerce Website.

In the present race for market development and market share sale, automobile companies have realized the need to zero in on meeting and exceeding customer needs and expectations. Successful organizations are seeking to achieve more than just customer satisfaction. They are targeting to achieve-customer delight. They believe that by zeroing in on delivery and after sales service they survive competition and move on to acquire a place of leadership in their respective markets. QS 9000(1998) is based on the 1994 version of the ISO 9000 series. ISO/TC 16949:2002 requires the organization to meet the requirements of the 2000 version of the ISO 9001. In the two cases, the essential requirement is to receive the appropriate version of the ISO standard and afterward meet extra requirements that are specific to the automobile business. This standard can be adopted by organizations that are suppliers to automobile manufacturers. Implementation of this Standard enables constant improvement, emphasizing defect prevention and the reduction of variety and increase of customer satisfaction.

2. REVIEW OF LITRETURE

Zhou Receptacle, Li Xin, Hu Haijing (2018) It is a significant main thrust to improve the rural economic income, improve the expectations for everyday solaces of farmers, and help the farmers gets freed of poverty. With the constant development of China's economy, the new Internet economy represented by e-commerce is gradually becoming the "new engine" of China's public economic development. With the profoundly developed Internet industry today, the development of rural e-commerce is indeed of great significance to rural development, which is a significant way for Rural Revitalization and development.

Kumar (2017) They ought to provide new parameters and approaches to the development of strategic e-commerce management based on steady observing and evaluation exercises. A mobile-optimized website is necessary for any successful conduction of e-commerce in modern times. The media associations constitute the news media in a democracy. The media ought to promote strategic e-commerce management by undertaking advertising, exposure and promulgation crusades. The media should assume a central part in advancing the development of healthy and competitive e-commerce through constructive reports and analyses. The media ought to likewise stimulate and develop public-private sector partnerships for better strategic e-commerce management.

Schneider, G. P. (2017) The Authors explain collaborative E-commerce as a dynamic creation of trading relationships with new partners, public and private businesses, and process automation, increased adaptability and flexibility, delivered by open architecture based integration middleware. It elaborates that the new rules of engagement, enforced by the new online economy, require a complete transformation of a legacy company into an e-business driven company and that technology will play a vital role in this transition and transformation and it may change the perspective, from an expense of working together to a way of working together.

Shrilaxmi, (2016) E-commerce has grown significantly over the past few years, partly as the result of excellent implementation by the like of Amazon and eBay. The main goal of the researcher was to identify the various factors that influence the growth of E-commerce in India and may define its limitations. It also described the opportunities available to various participants in the Indian market like consumers, producers, retailers, wholesalers – and their technical and non-technical limitations. Researchers concluded that E-commerce will increase exponentially in the emerging market of India in future.

Jay & Manish, (2016) The advanced and constantly evolving trends in the electronic commerce sector have seriously challenged the tourism sector. It is difficult to be up to date and prepared to absorb new trends in order to be competitive with other sectors of the commercial and managerial world of trade. The corporate world has absorbed the majority of skilled labour and provided them with the maximum salaries, creating yet another problem with the travel industry. This is an industry hampered by the relatively low number of skilled laborers who participate in it.

Panigrahi and Joshi, (2016) The use of E-commerce has dramatically risen in the Indian business space. Several Indian E-commerce stores like Flipkart, Snapdeal, etc. have created innumerable parallel options for online

purchasing and are posing tough competition for international companies like Amazon. Online purchasing has gained popularity worldwide & India is no exception. the growth of the E-commerce industry in India has been phenomenal as more shoppers have started discovering the benefits of using this platform. There is plenty of room for online businesses to thrive in the future if they understand the Indian shopper's psyche and cater to his needs. Diverse E-commerce applications are being implemented in the textile and apparel supply chain. The researchers analyses the impact of E-commerce in the textile industry in India. Global marketing opportunities represent one of the chief benefits of E-commerce for products and markets.

3. E-COMMERCE

In 1991 the Internet had less than 3 million users all throughout the planet and its application to E-Commerce was non-existent. By 1999, an estimated 250 million users accessed the Internet and approximately one quarter of them made purchases online from electronic commerce sites, worth approximately \$110 billion. On the off chance that the expansion in E-Commerce continues at this quick pace, as is expected, in four to five years from now, E-Commerce transactions between business (B2B) and between businesses and consumers (B2C) will represent around 5 percent of inter-organization transactions and retail sales respectively. Looking forward, the potential for E-Commerce exchange to acquire in sizeable share of consumer and business purchases appears to be large, despite the fact that it is hard to evaluate.

The prospect that E-Commerce transactions may acquire a sizeable share of overall commerce is just one dimension of why the Internet is generating such interest. The open structure of the Internet and minimal expense of utilizing it permit the interconnection of new and existing information and correspondence technologies, and offer businesses and consumers a new and powerful information system as well as a new form of correspondence. This makes it possible for buyers and sellers to come together in more efficient manners and is creating new marketplace and opportunities for the reorganization of economic processes. It is additionally changing the manner in which items are customized, distributed and exchanged how business and consumers search, and consumer producers.

4. E-COMMERCE CLASSIFICATION

An assortment of e-commerce has been described in three sections.

1. Business to Business

It includes a B2B electronic application form, as well as other administrative tasks between the houses. It includes trade products, like business, professional services, fabricating, wholesale. Sometimes this model in the B2B business can have a default; they cannot have an actual presence. In the event that the business will be conducted through the Internet.

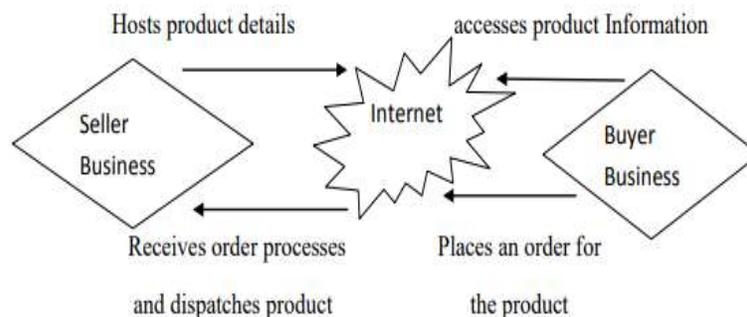


Fig 1: B2B Business Model

2. Business to Consumer

Transactions between B2C and integrated business model. It applies to any commercial organizations sells their items or services to consumers over the Internet. These sites show the items in the index electronically and stored in a database. It includes B2C likewise form networks and services, travel and health.

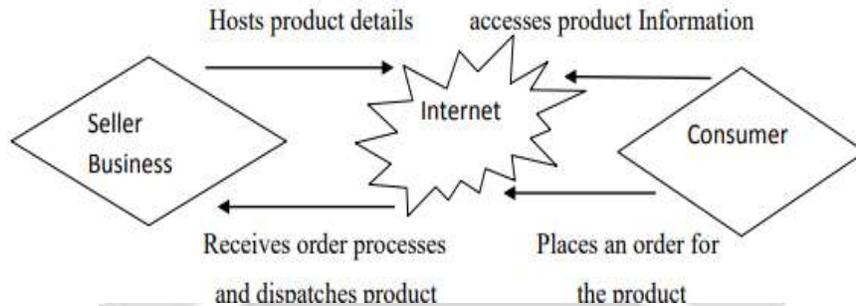


Fig 2: B2C Business Model

3. Consumer to Consumer

C2C transactions between clients include models. Here the customers offered to other customers directly. EBay and www.bazee.com is a typical example of the auctioned online website which offers customers to advertise and sell their items over the Internet to other users. However, it is important that the seller and buyer should be registered at the sale. While sellers are required to pay a fixed fee for a home to be auctioned online to sell their items, you can attempt the service without paying any. Site buyers and sellers unite to make a deal.

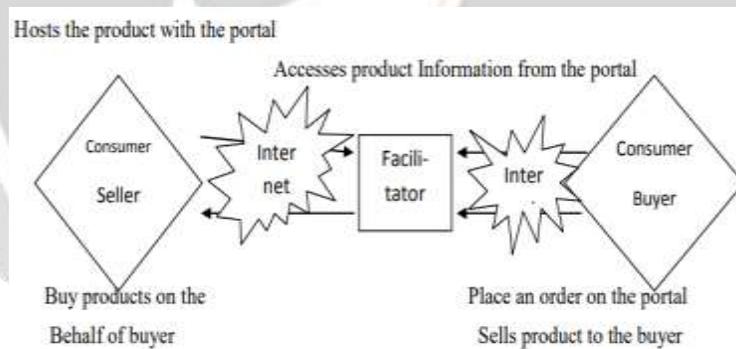


Fig 3: C2C Business Model

5. E-COMMERCE AND CONSUMER PURCHASING DECISION MAKING:

Studying consumer Purchasing behaviour is very difficult task as individual carries different perception. No one can predict how an individual can behave in particular situation. But the features and facilities present on E-commerce websites influence the Purchasing behaviour. Consumers prefer the factors like information availability, reputation of website, security and after sales service while purchasing online. Marketing mix and reputation, web experience, very quick services, variety of products and services and fewer prices than traditional market etc. are the factors where e-commerce has been successful to attract the consumers especially youth. These factors are also responsible for influencing the Purchasing behaviour. Researcher also found that Trust and Security are the main factors considered by consumers and also influenced their Purchasing behaviour. Based on above two factors consumers concluded the new factor Risk with which personal information security, payment security, quality assurance, delivery of same product etc. sub factors had risen. Consumers can trust e-commerce companies when the risk factor

is replaced by security. Nowadays the advertisements on the television showing e-commerce companies are claiming that they have made their websites very secured and almost zero risk present. And these advertisements have greater impact on consumer Purchasing behaviour. Consumer Purchasing behaviour can be enhanced with rich quality and creative advertisements and by building positive consumer perception through strong marketing strategies.

E-commerce companies have implemented solution of all concern factors to attract customers. Proper designed website and available information content and internet marketing, easy to use, usefulness of website, online store environment, information drawing and value perspective, website reliability/fulfillment, website customer service and website security/privacy, Consumer Impulsiveness and Website Quality, testimonials, enhancing the internet experience are main concern factors which are implemented by these companies to attract more customers. These factors have positive and considerable impact on business of websites by assisting consumers in purchase decision making.

6. E-COMMERCE BENEFITS AND ITS SUCCESS:

E-commerce provides many benefits to consumers which are ultimately beneficial for consumers themselves. Following are some benefits which are provided by E-commerce:

1. Consumers worldwide can shop online 24 hours a day, seven days a week and 365 days a year.
2. Recommends products and related information as per interest and preference of individual consumer.
3. E-commerce is convenient, time saving and pleasant in use.
4. It provides very quick services, variety of products and services and fewer prices than traditional market.
5. It is simple to use, saves cost, and delivers in time.
6. Consumers can access very rich information, can access maximum available retail brands and can avail extended offers in online Purchasing.
7. E-commerce also provides facilities like doorstep delivery, easy and secure online payment modes, Cash on Delivery, safe packaging, authentic and original products, easy return and replacement policies, exchange offers, discounts and festival offers etc.

7. ADVANTAGES AND DISADVANTAGES IN E-COMMERCE

Advantages of E-Commerce:

Some of the key strengths of using the internet for business include the following:

- **Cost of acquiring, serving and retaining customers:** It is relatively cheaper to acquire new customers over the net; thanks to 24/7 operations and its global reach. Through innovative tools of 'push' technology, it is also possible to retain customer's loyalty with minimal investments.
- **Makes opportunity:** Similarly as E-Commerce increases sales opportunities for the seller, it increases purchasing opportunities for the buyer. Businesses can use E-Commerce in their purchasing processes to identify new suppliers and business partners. Negotiating price and delivery terms are easier in E-Commerce, because the web can provide competitive bid information very efficiently.
- **An extended enterprises is easy to build :** In this day and age every enterprise is essential for the 'connected economy': as such, you need to extend your enterprise right to your suppliers and businesses partners like distributors, retailers and ultimately your end customers. The internet provides an effective (often less expensive) approach to extend your enterprise beyond the limited confines of your own organization. Devices like Enterprise Resource Arranging (ERP). Store network Management (SCM) and Customer Relationship Management (CRM), can easily be deployed over the internet, permitting astonishing efficiency in time needed to market, customer reliability, on-time delivery and eventually profitability.

- **Power to provide the ‘best of both the worlds:** It benefits the traditional business side-by-side with the internet tools.
- **Improved customer service to your clients:** It results in higher satisfaction and more sales.
- **Disintermediation:** Using the internet, one can directly approach the-customers and suppliers, cutting down on the number of levels and in the process, cutting down the costs.

Disadvantage of E-Commerce

Some business processes may never lend themselves to electronic commerce, e.g. perishable food sources, and significant expense items (like jewelers, antiques, and the like), might be hard to inspect from a remote area, regardless of any technologies that may be devised in the future. A large portion of the disadvantages of electronic commerce today, however, stem from the newness and quickly developing pace of the underlying technologies. These disadvantages will disappear as E-Commerce matures and becomes more and more available to and gets accepted by the general populace. Numerous items and services require a minimum amount of potential buyers who are well – equipped and willing to purchase through the internet. Businesses often calculate the return on-investment before focusing on any new technology. This has been hard to do with E-Commerce, since the expenses and benefits have been difficult to evaluate. Expenses, which are an element of technology, can change significantly even during short-lived E-Commerce implementation projects, because the underlying technologies are evolving quickly. Numerous organizations have experienced difficulty in recruiting and retaining employees with technological, design, and business process abilities needed to create an effective E-Commerce atmosphere. Another problem confronting firms that need to work together on the internet is the trouble of integrating existing databases and transactions – processing software designed for customary commerce into software that enables E-Commerce.

8. THE DEVELOPMENT AND GROWTH OF E-COMMERCE

E-Commerce is developing significantly on the internet. Before the end of this decade, a huge number of companies and people will be (I) offering (ii) purchasing (iii) selling (iv) brokering (v) advertising and (vi) collaborating consistently, as the internet merges with other branches of the formation thruway. The resulting economies of scale will drastically lower the expense of implementing and keeping a procurement infrastructure. Those who clearly see the opportunity understand the medium and creatively set it to work for them, will definitely succeed in the advanced economy of the future.

E-Commerce has been defined by different experts in their own approaches and there is no authority definition. The people who are well versed in the field of communication say that it is the transmission of information, items/services or payments through telephone lines, networks or some other medium. From a businessman's standpoint, E-Commerce has been defined as the use of technology to automate business transactions and work streams. The service business experts may say that E-Commerce is a helpful development that permits a business to reduce expenses, enabling it to provide better quality items and a faster delivery time.

In general, people define E-Commerce as the genuine purchasing and selling of products or services electronically, online. Customers can see the items displayed in an online store, read information about the items, see them on the website and have the alternative to purchase them online. The items could be anything from pet supplies to automobiles, selling every day from the site. Furthermore, the benefit is that every one of the principals involved in great practices could be applied here.

Successful strategies emerge from a deep understanding of where the market is, and therefore the cash stream will be in both the short term and long haul future. The important word in this sentence is 'Market'. While the market certainly involves the-customer, the customer is at the center. A market includes the buyers and sellers as well as the broader contextual forces that shape the nature of the market place exchange. We argue that there are four basic forces that the E-Commerce manager should know and manage if the online firm is to be successful. These four forces are technology, capital, media, and public approach. We review each of these forces and provide a simple delineation.

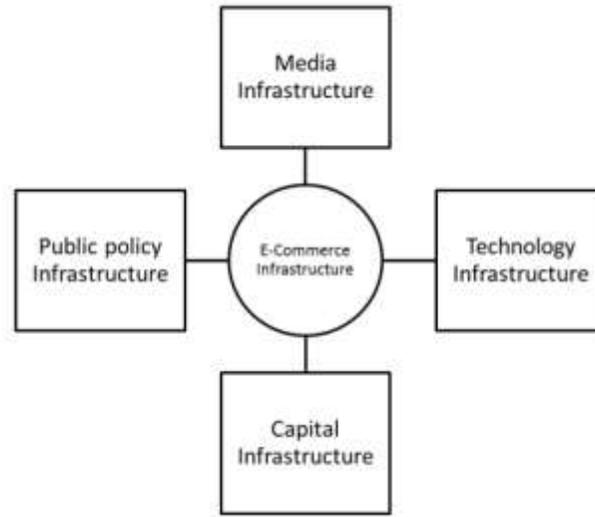


Figure 4: Four infrastructures in E-Commerce

1. Technology Infrastructure

The technology infrastructure of the internet and websites are both enablers and drivers of change. An infrastructure is defined as "the establishment of a system". In this case, the technological establishment of the internet and websites enables the running of E-Commerce enterprises. Understanding technology infrastructure is essential to dealing with a successful online business. Understanding what technology is available (as well as understanding the trade-offs involved) and being able to make the appropriate choices with the goal that the website can be reflection of the organization's strategy is basic.

2. Capital Infrastructure

Where does the money to dispatch this new business come from? How does the process work, from tracking down the correct managers to building the business plan and seeking financing sources? At last, how might this venture be valued? Any successful senior E Commerce manager should understand the capital infrastructure and skill to secure financing for a venture (whether independently or in a worldwide 2000 organization) and, subsequently, value that business.

3. Media Infrastructure

For what reason is the media infrastructure an important issue for all E-Commerce managers, whether they run GE Medical System, USA today.com, or Gameville.com? The answer is that the internet is a mass communication platform similarly as technology evolution sets the context for technology choices and the capital markets set the context for subsidizing, media convergence providers who run E-Commerce enterprises should learn to manage a staff responsible for design interface, complex choices, editorial policies, and generally important, content choices associated with this new communication venue. Along these lines, notwithstanding any remaining tasks, the E-Commerce manager is presently a publisher of advanced content on the web.

4. Public Policy Infrastructure

All decisions related to strategy, technology, capital, and media are influenced by laws and regulations in short, public approach. The Public Strategy Infrastructure affects the specific businesses as well as the direct and indirect competitors. Senior managers should understand the current laws and how the laws may change to damage or help their business and those around them.

9. CONCLUSION:

This study is mainly focused on the current status of e-commerce in India. It starts with the introduction of e-commerce and consumer Purchasing behaviour and how it is important to study. In the chapter of need for the study, the success of e-commerce, its impact and the adoption of e-commerce in youth is discussed. In that same chapter the sustainability factor is also discussed. The literature review part discusses 5 sections- the status of e-commerce in India, the socio-economic impact of e-commerce, e-commerce and technology adoption, ecommerce and consumer Purchasing decision making and e-commerce benefits and its success. Each section starts with the current knowledge available followed by supporting available literature and interpretation. All the impact factors, flawless adoption in consumer's life, acceptance of e-commerce business style, responses to e-tailing and benefits of e-commerce are discussed in details backed by available literature. At the end of the literature review the importance trust and security factor and the future need is also discussed. Due to adoption of e-commerce in life, consumers have started expecting more which can impact on their Purchasing behaviour. The factors of the e-commerce that influenced consumer behaviours need to be carefully analysed by the online retailers, who can utilize the appropriate marketing communications to respond the change in customer's purchase decision making process and improve their performance. Hence in terms of promising future research directions, two avenues deserve special mention, in researcher's opinion, first is, there is need to study in detail the impact of e-commerce on consumer Purchasing behaviour and second is to find out to what extent the behaviour can be changed.

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