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A STUDY ON ONLINE SHOPPING AND ITS EFFECTS ON CONSUMER BEHAVIOR.

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Abstract—**This research study investigates the implications of online buying on customer behavior. The study looks at how online buying has changed the way people make decisions and buy things. The research investigates the factors that impact online shoppers, such as convenience, pricing, and product availability. The study investigates how online buying has impacted how customers connect with companies and the purchasing process.**

This research paper examined, this study investigated the impact of online buying on Indian consumer behaviour, focusing on the important variables driving online purchases, changes in traditional purchasing patterns, the importance of trust and ease in online purchasing decisions, and so on. And the impact of price comparison on online purchases. The research employed convenience sampling methods and a sample size of 29. The results showed that convenience, variety of items, lower prices, and speed of delivery are the main motivators for online shopping. The research also revealed that online shopping has had an impact on traditional purchase habits and that customers prefer credit cards and debit cards over cash on delivery when making online payments. Furthermore, the results showed that customers compare prices when shopping online, with most customers comparing prices frequently. This research contributes to the existing body of knowledge by providing further insight into the effects of online shopping on consumer behavior.

Keywords—**Online Shopping, Consumer Behavior, Convenience**

I. INTRODUCTION

Online shopping is a form of online commerce in which customers may purchase goods and services directly from businesses over the Internet. It is sometimes referred to as an e-shop, web store, virtual store, or online store. Shopping at an online store is comparable to shopping at a physical store in many respects, with the key distinction being that the transactions are completed electronically. B2C online purchasing refers to transactions in which customers purchase goods and services directly from companies. Throughout the online buying experience, consumers make their decisions digitally rather than in person**.**

The internet has evolved into a new avenue of distribution for numerous items. Using the internet to purchase online has become a significant purpose for using the internet, along with searching for things and learning about them. As a result, the internet has created a highly competitive market in which customers compete fiercely.

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Online shopping has risen in popularity significantly in recent years. This new style of purchasing has enabled consumers to purchase items and services from the comfort of their own homes. As a result, it has become an essential component of the modern consumer's lifestyle. The advent of internet purchasing has had far-reaching consequences for consumer behavior and corporate operations**.**

The purpose of this study is to look into the impact of online buying on customer behavior and how it has changed traditional purchase habits. It will also discuss the consequences of these shifts and how businesses may adapt to the new trends.

Online shopping has become an important part of the modern consumer's lifestyle. The introduction of online purchases has had far-reaching consequences for customer behavior and company operations. Because of the internet, traditional purchasing patterns are fast shifting.

Another important factor that has driven the growth of internet purchasing is cost. Shopping online over the internet is usually substantially less expensive than buying items at a store. Furthermore, many online retailers provide free shipping on all orders that surpass a certain threshold. As a consequence, customers may save money on their purchases, which has led to the growth of online shopping. The combination of convenience, price, and product selection is boosting the growth of online shopping.

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Despite the various advantages of internet purchasing, there are some drawbacks. One of the most common concerns that customers have while shopping online is the problem of order confirmation. The order confirmation method confirms that the customer's order has been placed and is being processed by the vendor.

However, order confirmation might be slow and erroneous at times. As a result of this problem, customers may get dissatisfied and disappointed. Furthermore, many online shoppers have difficulties accessing the information they want. This is due to the lack of an actual shop with which to interact. Furthermore, many customers find comparing prices across different online stores difficult. It is because there is no actual store to which to refer.

Despite its various drawbacks, online shopping has proven to be an excellent shopping tool. The internet's strength is proven by the rapid transformation in customer behavior. As a result, internet shopping is here to stay, and businesses must adapt to the new environment

Objectives:

1. To investigate how the perceived benefits of online shopping impact Indian customers' online purchasing behavior.
2. To determine the effect of product awareness on Indian customers' online purchase behavior.
3. To study the influence of online shopping on Indian customers' spending habits.

II. LITERATURE REVIEW

1. Online shopping

According to **Hirschman and Holbrook (1982),** customers' motivations for participating in online buying include both utilitarian and hedonic features. Some approach the internet as "problem solvers," looking for practical solutions, while others seek "fun, fantasy, arousal, sensory stimulation, and enjoyment."

The growth of online shopping can be attributed to advancements in information technology and the widespread availability of internet access. In a study conducted by **Bellman et al. (1999),** the various stages of customer adoption in online shopping were examined, highlighting important factors such as usability, trust, and perceived benefits. This research underscores the significance of comprehending customer attitudes and the influential elements that drive the adoption of online purchasing**.**

Advantages of Online Shopping:

Online shopping provides consumers with an array of advantages, including convenience, time efficiency, and a large selection of products to pick from. **Bhatnagar et al. (2000)** did extensive research on the benefits of online purchasing, which include lower transaction costs, increased product diversity, and personalized recommendations. The research also highlights the importance of website design and user interface in improving the overall purchasing experience.

2. Impact of online shopping on buying behavior

In **1989, Davis** proposed the Technology Acceptance Model (TAM) as a framework for understanding the acceptance of information technology (IT). TAM is rooted in the Theory of Reasoned Action (TRA) and focuses on individuals' intentions and behaviors when engaging with an information system. It incorporates two fundamental beliefs: perceived usefulness and ease of use. In the context of online shopping, TAM has been applied to explore the acceptance and adoption of online purchase platforms by customers

Convenience and Accessibility

"Convenience and accessibility are key factors driving the growing popularity of online shopping among consumers." One of the primary reasons people prefer to shop online is the convenience it gives. According to **Huang and Oppewal (2006),** "the ability to shop at any time and from any location, without being restricted by store hours or geographical constraints, significantly influences consumers' inclination towards online shopping.

Customer attitudes towards online purchase have been extensively researched, with 22 of 35 studies concentrating on it. According to the literature and attitude modification and behavior models such as **Fishbein and Ajzen (1975),** consumer attitudes determine their readiness to buy online and, ultimately, whether or not they make a purchase. This multidimensional phrase has been conceptualized in a variety of ways in the extant literature. For starters, it concerns consumer acceptability of the Internet as a purchase channel **(Jahng et al., 2001**). Second, it is concerned with consumers' attitudes towards a specific online store, referring to how appealing they find purchasing from that site. The first and second dimensions are inversely related to the third, which is the perceived risk of customers.

According to prior research, the primary motivators for customers to buy online are convenience and time savings **(Chen, Hsu, & Lin, 2010**). Convenience refers to online buying strategies that save customers time and effort throughout the purchasing process.

Influence of online shopping and its impact on spending pattern

Thirteen of the 35 publications examined in the literature review focus on consumers' intentions to shop online. This refers to their willingness to make purchases through online channels, which is typically assessed by their willingness to buy and make repeat purchases. This factor is known to have an impact on customer loyalty. **Jarvenpaa and colleagues (2000**) use a series of questions to evaluate consumers' intentions to shop online, such as the likelihood of returning to a store's website, the probability of making a purchase within the next three months or year, and the overall likelihood of making a purchase from a particular store again.

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Consumers' intention to shop online is positively associated with their attitude towards online purchasing and influences their decision-making and purchasing behavior. Additionally, there is evidence of a reciprocal relationship between consumers' intention to shop online and their satisfaction with the online shopping experience.

The process of purchasing decision-making involves gathering information, assessing alternatives, and making a decision, which can have a substantial impact on customers' purchase behavior and happiness. Despite its importance, just five studies have looked into it. According to **Haubl and Trifts (2000)**, consumers make online purchases in two stages. Initially, they analyze a wide number of products to uncover potentially appropriate alternatives. They next assess the subset in further depth, comparing several items based on desirable features before making a final decision. The authors contend that interactive solutions developed to aid consumers during these stages can significantly improve the efficiency and quality of online purchasing decisions.

Kuester, Sabine (2012) describes consumer behavior as the study of individuals, groups, processes, and organizations that use experience, goods, services, experiences, or ideas to delight the consumer and society in his research. It draws on sociology, psychology, management, and economics. Its goal is to comprehend customer decision-making processes.

Both individually and in groups. It focuses on individual consumers and their qualities as demographics and behavioral data to determine what they want. It also aims to quantify the consumer's effect on family, friends, groups, and society in general.

According to prior research, the primary motivators for customers to buy online are convenience and time savings **(Chen, Hsu, & Lin, 2010**). Convenience refers to online buying strategies that save customers time and effort throughout the purchasing process.

Online shopping behavior (also known as online buying behavior) is the process of purchasing products or services through websites on the Internet. This process has five steps, which are similar to the steps related to conventional shopping behavior **(Liang and Lai, 2000)**. These include: researching products or services, identifying potential suppliers, comparing prices and features, evaluating the supplier and product, and finally making a purchase**.**

In a study conducted by **Shun and Yunjie (2006)**, it was found that there are four distinct customer groups that have different motivations and purposes when buying products online. They identified that products such as books, software, electronics, and music can be sold online due to the fact that these items do not require a physical examination before purchase. Customers, according to the research, have a preference for mobile phone-related things and a great interest in collecting music videos. Customers also want to pay particular attention to technical specifications and associated promises while conducting online product research.

The introduction of online shopping has had a significant influence on the retail industry. According to research, online buyers typically compare prices and items from several retailers **(Doherty & Ellis-Chadwick, 2010)**. This has produced a highly competitive climate in which firms must provide competitive prices and promotions in order to compete. Furthermore, the ease of online shopping has made consumers more price-sensitive, fueling rivalry among online shops.

Because of the increased competition in the online retail market, costs have dropped and product quality has improved, making online shopping an appealing alternative for many customers. The ease with which consumers may compare prices and goods has enabled them to make more educated shopping decisions, and online businesses have had to modify their business models. Strategies to remain competitive

In **1995, Mayer, Davis, and Schoorman** defined trust as the willingness of an individual to be vulnerable to another party's actions, based on the expectation that the other party will carry out a particular action that is important to the trustor, regardless of the trustor's ability to monitor or control the other party.

As consumers become more informed, they are also able to make informed decisions, such as price comparison, product research, and verifying the credibility of the e-store.

III. RESEARCH METHODOLOGY

The research design is descriptive, and the sample population is 1,120,547 people in **Navi Mumbai**. The sample size is 29 people

Participants in the study were selected based on their availability and willingness to participate. The study collected data on many elements of online purchase behavior, such as motivators for online shopping, payment preferences, and price comparison habits, using a systematic questionnaire. The obtained data was statistically analyzed in order to uncover trends and patterns in online purchasing behavior.

A larger-scale investigation of the impact of internet purchase on consumer behavior requires significant time and resources, both of which I lacked as a final-year BBA student. Due to these limits, the research report used a smaller sample size of 29 participants. The smaller sample size made it easier to organize and examine within the time constraints. This result was reached following a thorough evaluation of the feasibility and practicability.

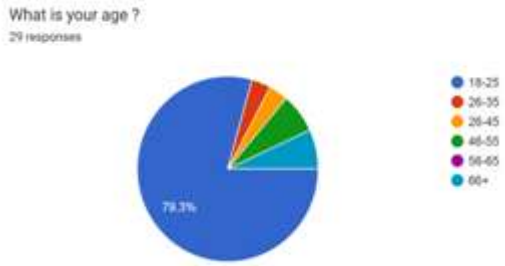
The sample methods employed are **convenience sampling methods**. Primary and secondary collection methods include **questionnaires, observation, and search engines as well as books, and articles**. This research is significant in terms of its theoretical and practical contribution to the existing body of research knowledge

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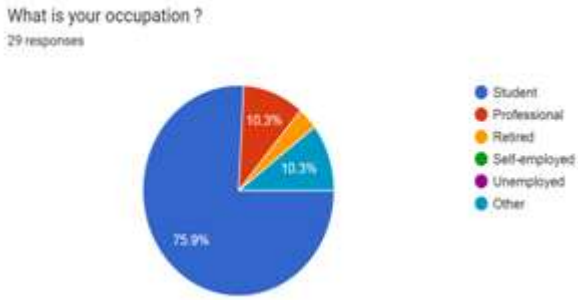
IV. DATA ANALYSIS & INTERPRETATION –

Age demographics of customers

The above diagram shows us the percentage age of the respondents, From 18-25, the number of respondents is 79.3%. From 26-35, the number of respondents is 3.4 %, and for 26-45, the number of respondents is 3.4%, from 46-55 the number of respondents is 6.9 % from 56-65 is 0%, from 66+ the number of respondents is 6.9 %



Occupation of online customers



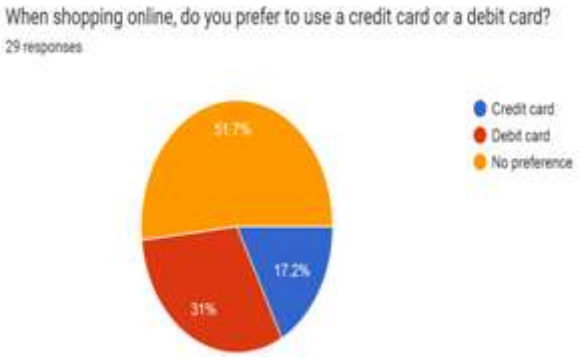
According to the pie chart above we are able to understand that 75.9% of the 0respondents are students, Professional is 10.3%., Retired is 3.4 %, others 10.3 %, and most internet users are students. This implies that students are accessing the internet to purchase items. This is because students are more likely to be tech-savvy and like the ease of internet purchasing. Furthermore, students may be more likely to take advantage of online discounts or special deals.

How frequently do they shop online?

According to the above pie diagram, product purchases are highest where online consumers buy rarely, i.e. 44.8% of respondents, indicating that items purchased monthly by 41.4%, quarterly by 6.9%.



Methods of payment



The diagram shows that when it came to making an online payment, 51.7% of consumers had no preference, 17.2% preferred credit cards, and 31% chose debit cards.

Online shopping has an impact on online shopping habits



The diagram shows that 75.9% of respondents think that online shopping has had an impact on their shopping behavior, whereas 24 % of respondents believe it does not impact their shopping habits.

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Price comparison in online shopping



The pie chart above shows that 34.5 % of respondents always compare prices when shopping online, 44.8 % frequently compare prices when shopping online, 6.9 % occasionally compare prices when shopping online, and 10.3 % rarely compared prices. 3.4 % never compared the prices when shopping online.

V. CONCLUSION

The impact of online shopping on customer behavior is thoroughly studied in this research paper. Convenience, product variety, affordable prices, and delivery speed appear to be the top reasons why people purchase online, according to the survey's findings. Student respondents make up the majority of the sample. In addition, the majority of consumers have no preference when it comes to completing an online payment. Furthermore, the majority of respondents think that online buying has changed the way they purchase. And last, the majority of responders buy online and compare costs.

In conclusion, this study offers a thorough overview of online buying and how it affects customer behavior the ease and selection of goods, online shopping is clearly a preferred method for customers, and it has influenced their purchasing decisions.

This study has shown that many consumers now prefer to purchase online, and it is likely that this trend will continue to affect consumer behavior in the future.

VI. FURTHER SCOPE OF RESEARCH

Social media's impact on internet purchase behavior: Several businesses now offer their products and services through social media, which has turned into a significant e-commerce platform. Further research may be done to look at how social media influences customers' decision-making processes, such as the value of social proof, online reviews, and influencers.

The importance of trust in online shopping: While making an online purchase, purchasers must be certain that they are engaging in a safe and trustworthy transaction. Future research might look into how trust is formed and maintained in online purchasing environments, as well as the impact of factors like website design, security measures, and reputation management. Investigate how confidence is built and maintained in online business contexts. The impact of website design, security measures, and reputation management may all be taken into account. It may also investigate how businesses demonstrate their trustworthiness to customers and how this affects their purchasing decisions.

Online Marketplaces' Impact on Buying Behavior: Internet marketplaces such as Amazon and Flipkart have grown in popularity as online shopping destinations. That study might investigate how online markets impact customers' decision-making processes. Product reviews, seller reputation, and price comparison tools may all be valuable in this case. It may also look into how businesses may use online markets to attract new customers and earn income.

Impact of Personalized Marketing on Internet Buying Behavior: Personalization is becoming more widespread in online buying environments. Businesses utilize data and analytics to tailor marketing messages to individual clients. This study might investigate how customers react to personalized marketing, as well as the potential benefits and drawbacks of this strategy. It might also look into the ethics of personalized marketing and the impact of privacy concerns on customer purchasing decisions.

VII. LIMITATIONS OF STUDY

1. The study's sample size is small, with only 29 people taking part. This may limit the findings' application to the larger Navi Mumbai population.
2. The study used convenience sampling, which may have introduced selection bias because the individuals were not representative of the larger population.
3. The study was only conducted in Navi Mumbai, which may limit the findings' applicability to other cities or countries.

VIII. IMPORTANCE AND SCOPE OF THE STUDY

Understanding Changing Consumer Behavior: This study investigates the impact of online shopping on consumer purchase patterns and decision-making. With the growing popularity of online purchases in today's digital age, it is critical to investigate these changes. The primary goal of this research is to provide insights on changing customer behavior in the context of online purchasing by examining critical elements such as convenience, affordability, and product availability.

IX. IDENTIFYING KEY ONLINE PURCHASE DETERMINANTS:

The purpose of this research is to discover the critical variables that drive online purchase, such as convenience, product variety, competitive pricing, and rapid delivery. Businesses can adapt their strategies and product offerings to

match customer expectations and improve the online shopping experience by understanding these motivating factors.

Indian customer Behavior:

The purpose of this study is to investigate the effects of online shopping on customer behavior in the Indian market. The research attempts to provide insights into the unique elements that influence online purchase among Indian customers by focusing on a specific geographical location. The study's goal is to restrict the scope and shed light on the specific aspects that influence online customer behavior in the Indian market.

X. SUGGESTIONS

According to data analysis and interpretation, online shopping has had an influence on customer behavior and spending patterns. Customers are also attracted by the ease of use and variety of products, as well as reduced costs and faster delivery.

Businesses should focus on customer convenience and provide a wide range of items to fulfil their demands, according to researchers. In order to sustain client loyalty, firms should endeavor to offer competitive rates and assure timely product delivery. Furthermore, businesses should guarantee that their customers have safe payment mechanisms in place and that they have access to information that allows them to make educated decisions. Finally, firms should assure client satisfaction by offering customer care and support when it is required**.**

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