ISSN (Print Version) 0975-3931
ISSN (On Line Version) 2278-1277

A Study Of E-Consumer Behavior Towards E-Goods (Tangible Goods) In Mumbai City (Byculla - E Ward)

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Abstract

Convenience, accessibility and inexpensive range of information have attracted many towards the field of online shopping, luring them for more and more shopping experiences with availability of a wider range of products. Online shopping being a larger industry, needs to keep themselves constantly updated with the types of consumers choosing to shop online, the factors influencing e-consumers attitudes to shop, the kinds of e-purchases made and the mode of payment opted for online shopping purchases. The purpose of this research paper is to seek such information to help online marketers to map out strategies in order to cover a wide range of consumers in the society by transforming the offline shoppers to online shoppers and optimizing sales of different e-purchases. Thus, making web based applications an interactive mode to connect e-tailers with e-consumers with utmost trust and transparency. This research paper involves collection and analysis of data through 100 respondents with the help of questionnaire method.

Introduction

Consumer behaviour is the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products, services and ideas (Schiffman and Kanuk, 1997). ‘Consumption’ refers to usage of products in different ways by a person who is then referred to as a consumer. In order to use products the consumer demands these products. This is referred to as ‘consumption demand’. A consumer demands to meet ‘needs’ on a daily basis and demands ‘wants’ which may be frequently or occasionally demanded. Such demands are backed by certain behavioural patterns.

Behaviour is the thought process that one possesses which differs from person to person. A consumer’s behaviour projects cognitive thinking (thought process), emotions and intended behaviour and are influenced by personal and environmental factors. Such

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broad attitudes and thought processes creates dynamism among consumers in their purchasing behaviour.

E-shopping is electronic or online shopping where one virtually selects the products to satisfy its needs and wants. The consumer shopping from online shopping medium is referred to as e-consumer or e-shopper and the purchases they order virtually are referred to as ‘e-goods’ or ‘e-purchases’. Dynamics of shopping have changed with the birth of digitalization which has been accelerated at a lightning pace changing shopping orientation and demographics. It offers a plethora of products with different product segments for all age groups and gender types with just one click on the online portal. It has created a competition between retailers in sales with every increasing sales, discounts, vouchers, schemes, offers, etc to attract and pamper the consumers. E-shopping has brought changes in consumer behaviour and has created consumer types in its own sense.

Literature Review

With the increasing popularity of internet based technology and digitalization, online shopping has seen an increasing trend which has given rise to e-commerce providing a platform for e-tailers to sell their varied e-goods and for consumers called ‘e-consumers’ to make purchases over the internet. With a burgeoning population and increasing desires, wants and needs of the masses, there has been an evolution in shopping trends and consumer types.

There exists four consumer styles or types which distinguish their behaviour like *price-sensitive* consumers who will first check the price before the purchase, long for discounts and offers; *variety seekers* who grab the chance of buying new varieties and products; *brand-loyal* consumers who only branded products irrespective of their high prices and lastly, *information seekers* who exchange information with other people, try new products but stick to known brands (McCarty, Horn and Szensay, 2007).

Keeping in sight the demographic factors, among various market segmentation variables, gender becomes a common and important one for an e-vendor. Men and women act and react differently based on their attitude formation. Brand managers tailor the needs and wants of such gender types to increase market demand (Lin, Featherman, Brooks and Hajli, 2018).

When ‘Eurostat Statistics Explained’ (2018) considered age as a determinant factor, it was observed that e-shoppers aged 16-24 years were considered as the maximum number of e-buyers of clothes and sports items i.e. 72%, video games, software (31%), films and music (29%), computer hardware (18%) and e-learning material (9%). The portion of individuals aged 25-54 years were household e-goods purchasers (50%), tickets for events (41%), groceries (28%) and telecommunication (20%) while the rest aged 55-74 years which fall under an older category were purchases of travel and holiday accommodation (54%), books, magazines, newspapers (34%), medicines (19%). It is clearly evident that a younger lot of individuals (16-24 years) are more attracted to the fashion and sports industry and therefore they form a larger market demand, while those aged 25-54 years fall under a more matured, working class and have concerns for household attracted to such purchases and those aged 55-74 are a more relaxed class (mostly non-workers) who wish to spend on leisure activities, thus attracted towards travel and accommodation. With respect to education, People possessing a higher level of education (8 out of 10) formed a larger share of online purchases than those with a low level of education. In the case of employment level of an individual, employees and self-employed formed 75% and students formed 70% of internet users.

Consumers make hedonic and utilitarian purchases. ***Hedonism*** is the cult of pleasure. In consumer behaviour, it refers to the pleasurable aspects of consumption (Holbrook and Hirschmann, 1982). ***Utilitarianism*** is the opposite of hedonism. It is the cult of practicality (Blythe, 2008).

While e-payment provides utmost convenience with security control and assurance of value, it can cause disadvantages to an e-consumer in various ways. *Password threat* is a serious concern when a user registers with a website or online portal. Online transactions require one time password ensuring safety but what creates a threat is that these transactions involve access to personal details, bank account information through the e-consumer's credentials. As one makes transactions with multiple financial institutions, accounts, the probability of privacy breach is relatively high. This calls for an urgent need of password protection (Diwan and Sharma, 2000).

Research Objectives and Hypotheses

- To identify and examine the factors influencing e-consumer's purchasing behaviour
- To identify the kinds of e-goods that the e-consumers purchase
- To examine e-consumer's mode of payment for their e-purchases

Following are the hypotheses framed for the study:

H1.1: There is association between *age* of the respondents and frequency of online shopping in the last 6 months.

H1.2: There is association between *gender* of the respondents and frequency of online shopping in the last 6 months.

H1.3: Age of the respondents has a significant influence on their purchasing decisions for e-purchases.

H1.4: Gender of the respondents has a significant influence on their purchasing decisions for e-purchases.

H1.5: Educational qualification of the respondents has a significant influence on their purchasing decisions for e-purchases.

H1.6: Employment status of the respondents has a significant influence on their purchasing decisions for e-purchases.

Data and Methods

The study strove to hold an experimental research design to measure, calculate and make comparisons based on the numeric data obtained. The sampling method used was judgmental or purposive sampling as only those respondents were selected who use online shopping medium for their e-purchases. This sampling method was needed as there exists people who shop from offline medium and lack knowledge pertaining to internet, smart phones, online shopping and thus a deliberate attempt was made while approaching respondents who make online purchases.

For the purpose of data collection, primary data source has been utilized. It is quantitative and qualitative in nature and has provided interpretative data for in – depth analysis for the study. The important research instrument used was the 'questionnaire' which was well- planned and well- structured, designed with an aim to extract the required answers from the respondents for the purpose of study. It included closed-ended and open-ended questions. The open ended questions included the kinds of e-purchases that the respondents purchased from online portals. The responses were collected during the period of January – April 2020. The data was collected, its patterns were identified and analysed and inferences were deduced to make broad statements on e-consumer behaviour.

As it was not feasible to take the whole population for the study, it was essential to take a sample from the population for research study. For the purpose of study, a sample size of 100 was selected from Byculla 'E Ward' who use online shopping medium only, in order to study the e-consumer behaviour.

Hypothesis testing is a way to test the assumptions (hypothesis). The two tests used were chi square to test the association and ANOVA to test the significance between variables respectively; and simple percentage analysis has been used to draw inferences from the data.

A) Demographic profile of the respondents

1. Age

There were 5 pre-planned age categories viz. 15-20, 21-30, 31-45, 46-60 and above 60. Table 1 depicts the age profile of the respondents.

Table 1: Age profile of the respondents

Age Category	Total

15-20	20
21-30	40
31-45	20
46-60	15
Above 60	5
Total	**100**

2. Gender

Table 2 depicts the gender of the respondents. Out of 100 respondents, 45 respondents were male and 55 respondents were female.

Table 2: Gender of the respondents

Gender	Total
Male	45
Female	**55**

3. Educational qualification

Table 3 depicts the educational qualification of the respondents.

Table 3: Educational qualification of the respondents

Educational Qualification	Total
10^{th} Std	3
12^{th} Std	15
Graduation	53
Post Graduation	29
Total	**100**

4. Employment status

Table 4 depicts the employment status of the respondents.

Table 4: Employment status of the respondents

Employment Status	Total
Student	34
Working	55
Unemployed	5
Retired	6
Total	**100**

B) Hypothesis testing

ISSN (Print Version) 0975-3931
ISSN (On Line Version) 2278-1277

H1.1 Age and frequency of online shopping

Table 5: Chi square result: ***Age and frequency of online shopping in the last 6 months***

Age	**1-10 times**	**11-20 times**	**20 + times**	**df**	**Critical value**	**$\chi 2$**	**p Value**
< 30	43	13	4	2	5.99	1.18	0.55
> 30	28	11	1				
Total	**71**	**24**	**5**				
Source: *Computed from primary data*				Decision**: Accept Ho**			

In Table 5, the calculated value ($\chi 2$ = 1.18) is *less* than the critical (table) value = 5. 99 and p = 0.55 is *greater* than 0.05. Hence, the null hypothesis (Ho) is accepted at 5% level of significance and 2 degrees of freedom. Therefore, there is 'no association' between age of the respondents and frequency of online shopping in the last 6 months.

H1.2 Gender and frequency of online shopping

Table 6: Chi square result: Gender and frequency of online shopping in the last 6 months

Gender	**1-10 times**	**11-20 times**	**20 + times**	**df**	**Critical value**	**$\chi 2$**	**p Value**
Male	30	12	3	2	5.99	0.91	0.63
Female	41	12	2				
Total	**71**	**24**	**5**				
Source: *Computed from primary data*				Decision**: Accept Ho**			

In Table 6, the calculated value ($\chi 2$ = 0.91) is *less* than the critical (table) value = 5.99 and p = 0.63 is *greater* than 0.05. Hence, the null hypothesis (Ho) is accepted at 5% level of significance and 2 degrees of freedom. Therefore, there is 'no association' between gender of the respondents and frequency of online shopping in the last 6 months.

H1.3 Age and purchasing decisions for e-purchases

Table 7: ANOVA result: Age and its influence on their purchasing decisions for e-purchases

Age	**Necessity**	**Perishable**	**Hedonic**	**Luxury**		**Mean**	**Var**	**F Value**	**F Crit**	**P**
15-20	16	10	16	15	7	14.25	8.25	34.68	3.26	0.00
21-30	32	17	26	20	5	23.75	44.25			
31-45	15	11	18	9	3	13.25	16.25			
46-60	14	3	10	4	1	7.75	26.92			
60+	5	1	2	2	0	2.5	3			
Total	**82**	**42**	**72**	**50**						

Source: *Computed from primary data*

In Table 7, the calculated value (F = 34.68) is *greater* than the F critical value = 3.26 and p = 0.00 is *less* than 0.05. Hence, the null hypothesis (Ho) is rejected at 5% level of significance. Hence, age of the respondents has an influence on their purchasing decisions for e-purchases.

H1.4 Gender and purchasing decisions for e-purchases

Table 8: ANOVA result: Gender and its influence on respondent's purchasing decisions for e-purchases

Gender	**Necessity**	**Perishable**	**Hedonic**	**Luxury**		**Mean**	**Var**	**F Value**	**F Crit**	**P**
Male	37	18	30	23	108	27	68.67	19.29	10.13	0.02
Female	45	24	42	27	138	34.5	111			
Total	**82**	**42**	**72**	**50**						

Source: *Computed from primary data*

In Table 8, the calculated value (F = 19.29) is *greater* than the F critical value = 10.13 and p = 0.02 is *less* than 0.05. Hence, the null hypothesis (Ho) is rejected at 5% level of significance. Hence, gender of the respondents has an influence on their purchasing decisions for e-purchases.

H1.5 Educational qualification and purchasing decisions for e-purchases

Table 9: ANOVA result: Educational qualification and its influence on respondent's purchasing decisions for e-purchases

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Educational Qualification	**Necessity**	**Perishable**	**Hedonic**	**Luxury**		**Mean**	**Var**	**F Value**	**Crit**	
10th Std	1	0	3	2		1.5	1.67	23.82	.86	.00
12th Std	15	9	10	6	0	10	14			
Graduation	44	17	38	29	28	32	138			
Post-Graduation	22	16	21	13	2	18	18			
Total	**82**	**42**	**72**	**50**						

Source: *Computed from primary data*

In Table 9, the calculated value (F = 23.82) is *greater* than the F critical value = 3.86 and p = 0.00 is *less* than 0.05. Hence, the null hypothesis (Ho) is rejected at 5% level of significance. Hence, educational qualification of the respondents has an influence on their purchasing decisions for e-purchases.

H1.6 Employment status and purchasing decisions for e-purchases

Table 10: ANOVA result: Employment status and its influence on respondent's purchasing decisions for e-purchases

Employment Status	**Necessity**	**Perishable**	**Hedonic**	**Luxury**		**Mean**	**Var**	**F Value**	**Crit**	
Student	28	13	23	20	4	21	39.3	46.73	.86	.00
Working	44	25	43	27	39	34.75	102.9			
Unemployed	4	3	3	1	1	2.75	1.58			
Retired	6	1	3	2	2	3	4.67			
Total	**82**	**42**	**72**	**50**						

Source: *Computed from primary data*

In Table 10, the calculated value (F = 46.73) is *greater* than the F critical value = 3.86 and p = 0.00 is *less* than 0.05. Hence, the null hypothesis (Ho) is rejected at 5% level of significance. Hence, employment status of the respondents has an influence on their purchasing decisions for e-purchases.

C) Social factors influencing e-consumer behavior

Table 11 depicts the various social factors having an influential characteristic on consumers to opt for online shopping medium.

Table 11: Sources of using online shopping medium for first-handers

Sources	**No. of respondents**

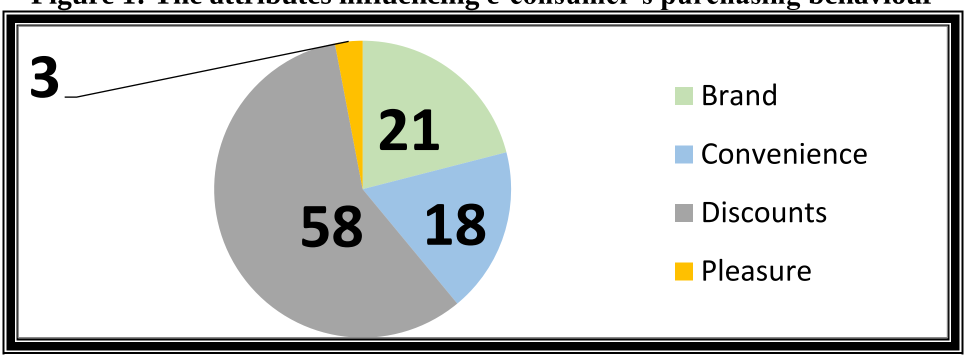
ISSN (Print Version) 0975-3931
ISSN (On Line Version) 2278-1277

Print media (articles, write ups)	6
Newspaper advertisements	2
Movies / TV shows	2
Family members	5
Social Networking sites	26
Television advertisements	21
Peers	38
Total	**100**

D) Coercive attributes influencing e-consumer's purchasing behaviour

Figure 1 depicts the attributes of e-shopping which are coercive in nature and can influence e-consumer's purchasing behaviour.

Figure 1: The attributes influencing e-consumer's purchasing behaviour



E) E-purchases

The respondents as e-consumers purchased a variety of purchases online which are categorized into four such as necessities (needful goods), hedonic goods (for pleasure), perishable goods (edible products) and luxury goods in the last 6 months as depicted in Table 12. Following are the e-purchases they chose to buy based on the four categories.

Table 12: E-purchases purchased by respondents in the last 6 months

E-purchases	No. of respondents
Necessity Goods	82
Perishable Goods	42

Hedonic Goods	72
Luxury Goods	50

Necessities

In Table 12, out of 100 respondents, there were 82 respondents who chose to purchase certain necessity purchases from online platforms in the last 6 months. These necessity purchases included groceries (milk, eggs, bread, pulses, rice), fruits and vegetables, cooked food, personal care products (shampoo, toothbrush, shaving items, body lotions, hair colour), healthcare products (medicine, supplements), household requirements (toiletries, detergent, décor), cosmetics, apparels, shoes, bags, books, home appliances (toaster, blender), mobile phones and its accessories (phone cover, charger), sports items and equipment and electronics.

Perishable goods

In Table 12, out of 100 respondents, there were 42 respondents who chose to purchase certain perishable purchases from online platforms in the last 6 months. These perishable purchases included fruits and vegetables, certain grocery items (cereals, pulses, flour, oil, spices), frozen food items, meat, honey, confectionary, chocolates, biscuits, fast food, ice cream, cheese, protein powder, popcorn, peanut butter, tetra pack milk and restaurant cooked food.

Hedonic goods (pleasure)

In Table 12, out of 100 respondents, there were 72 respondents who chose to purchase certain hedonic purchases from online platforms in the last 6 months. These hedonic purchases which gave them pleasure included books, apparels, shoes, cycle, cosmetics, chocolates, furniture, jewellery, mobile phones and its accessories, bags, stationary, diaries, art and craft items, video games, gadgets (headphones, camera) and electronics.

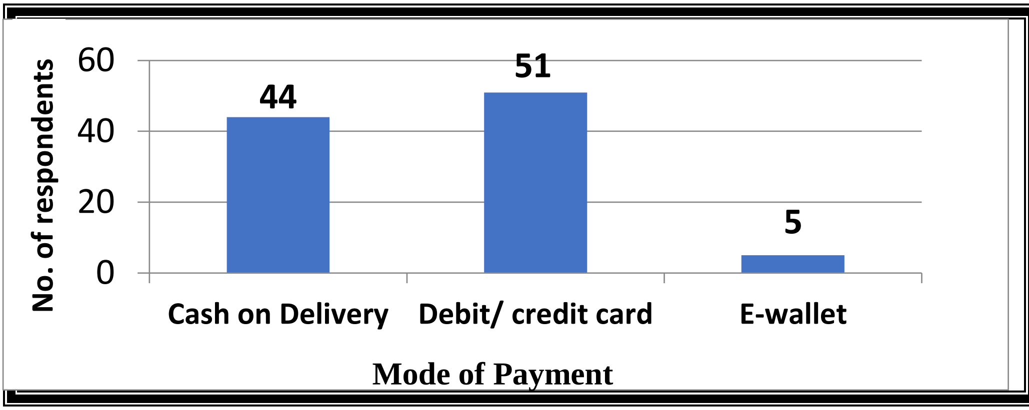
Luxury goods

In Table 12, out of 100 respondents, there were 50 respondents who chose to purchase certain luxury purchases from online platforms in the last 6 months. These luxury purchases included speakers, lights, clothes, mobile phone, perfume, air purifier, vacuum cleaner, electronics, watches, jewellery, ear phones, laptop, video games, shoes, premium chocolates, skincare products and glares.

F) Mode of payment

Figure 2 depicts the mode of payment that the respondents used as e-consumers for their e-purchases.

Figure 2: Mode of payment used for e-purchases by the respondents



Results (discussion)

The major findings of the study based on the objectives are as follows:

Based on the *hypothesis testing* (using chi square), demographic factors like age and gender of the e-consumers do not have any association with the frequency of online shopping medium used.

Based on the *hypothesis testing* (using ANOVA), demographic factors of e-consumers like age, gender, educational qualification and employment status of the e-consumers have significant influence on their purchasing decisions for e-purchases like necessity, hedonic, perishable and luxury goods.

Among the various social factors, the decision of shoppers to opt for online shopping medium was highly influenced by peers, television advertisements and social networking sites.

Among the various coercive attributes of online shopping, discounts play a major role to lure consumers as more than half of the sample size sought discounts for their e-purchases, thus showing their 'price-sensitive behaviour'.

A consumer's perception depends on his/her perspective, awareness and consciousness. It has been observed that purchases like apparels, shoes, mobile phones and its accessories and electronics are considered as necessity goods by some e-consumers while they are considered as luxury goods by some other e-consumers. This shows the perception of e-consumers as per their need and want.

More than half of the sample size used *'digital payment systems'* to pay for their e-purchases, with maximum using debit/credit card and a small portion of 5% e-consumers using 'e-wallet'. While 44% e-consumers used '*cash on delivery'* mode of payment for their e-purchases. A small number of respondents used e-wallet as it may be a new mode of payment and its exposure may not have out-beaten the use of debit/ credit card. A large number of e-consumers still relying on cash payments may be the result of fear of getting looted by online hackers, or the fear of the e-tailer not refunding within the stipulated time or fear of giving access of all their bank details to various known and unknown sources.

Conclusion (suggestions)

The implications of the findings suggest that online marketers need to trigger consumer sentiments through television and social networking sites as they are the best mediums to attract consumers to excessive use of online shopping and are easily accessible to all. Also, discounts are an inevitable attribute which need to be well planned targeting the right kind of e-purchases and e-consumers in the market. Since demographic factors of e-consumers like age, gender, educational qualification and employment status of the e-consumers have influence on their purchasing decisions for e-purchases like necessity, hedonic, perishable and luxury goods, special attention needs to be given to consumers belonging to different demographics. The findings also suggest that the online marketers should take measures to maintain privacy and safety of the online payments of e-consumers, thus building a trustworthy and digital transparent payment mode.

Online shopping has gained popularity over the years with great advantages and the ease of use experienced by consumers belonging to various strata of the society. The behaviour of consumers through their purchasing actions has evolved over the years and the transition from buying from offline store to using online shopping medium has brought behavioural changes in consumers turning them into *rational* e-consumers. The decision to choose a particular payment mode for e-purchases is backed by rational decision making process. E-consumers are becoming more and more vigilant with the growing trends and with the accessibility of various sources of information, thus staying more informed about the pros and cons of the shopping medium. With awareness and alertness, e-consumers tend to demand for more transparency and consumer protection.

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