

ONLINE BUYING DECISIONS - AN EXPLORATORY FACTOR ANALYSIS WITH REGARD TO MUMBAI CONSUMERS

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Abstract :

E-commerce or electronic commerce has changed the shopping behaviour of Indian consumers. Indian consumers who were accustomed to offline shopping are slowly migrating to online shopping. The novelty of buying goods online once in a while has been replaced by habitual buying. A number of factors may contribute to this shift of consumers from offline to online shopping. Traditional offline shopping involves direct interaction between buyers and sellers. However, consumers are restricted to what is available in the physical shop. Geographical boundaries also prevent buyers from accessing products that may not be available in local stores. In addition, smaller offline retailers may not offer discounted prices; and consumers have to shop according to retailers' store timings. Consumers may find online shopping attractive due to the convenience, ease, product range, price offers and variety available at one place. However, they may also be sceptical regarding the safety of their purchase and the information that is being shared on online shopping sites. Consumers like to search for

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products, compare them, and then make their buying decision. Reviews by other customers on online shopping sites facilitates comparison between products offered by various sellers. Further, these retailers run several campaigns as part of their ongoing marketing strategy. These retailers offer daily and hourly discounts in order to motivate audiences to visit their websites. However, whether or not consumers really make purchases upon visiting these websites is something that needs to be understood. It is also unclear whether or not customers tend to indulge in impulsive buying online, like they do in offline brick and mortar retail stores. This study aims to explore the factors that influence consumer buying decisions during online shopping with regard to consumers living in Mumbai city. Researchers have used the survey method for data collection, and collected data has been analysed using statistical techniques. Factor analysis was undertaken in order to understand the factors that would affect consumer buying behaviour in online shopping. Three factors were identified through the analysis — namely buyer benefits, risk awareness, and price offers. The findings of this research can help marketers design specific strategies to stimulate buying behaviour. In addition, this research will help them to focus on specific aspects involved in influencing consumer decisions.

Keywords: Brick and mortar retailing, online buying, risk, price offers, payment options