Psychoanalysis and Elucidation of Consumer Buying Behavior in Virtual

Prof. Prashant Mishra
Assistant Professor
Vindhya Institute of Management &
Research, Satna
Email Id: prashant.mishra@gmail.com

Prof. Neeraj Saxena
Assistant Professor
Vindhya Institute of Management &
Research, Satna
Email Id: neeraj.saxena@gmail.com

Prof. Sankalp Shukla
Assistant Professor
Vindhya Institute of Management &
Research, Satna
Email Id: sankalp_shukla2000@gmail.com

Abstract: **This paper will outline the most relevant behavioral characteristics of online consumers and examine the ways they find, compare and evaluate product information. Assessment of the newly collected survey data with the existing consumer behavior theory resulted in detection of a number of issues related to a specific consumer group. With the above background in mind, this research has been conducted to gain an insight into the online buying behavior of consumers. Our findings should help an Internet Marketer to determine the product/service categories to be introduced or to be used for marketing for a specific segment of consumers. This would also allow them to add or remove services/features which are important in the buying decision process. This study however does not aim to identify newer areas to introduce new services, nor should it be used to predict the success or failure of internet ventures.**

The objective is to explore the factors which influence online purchase, the psychographic profile of the consumer groups and understanding the buying decision process.

The investigative research was carried out with 50 respondents with a set of 10 open ended questions. The exploratory findings helped us in determining the key factors which needed to be further explored for research. The opinion poll designed had 9 questions and was administered to 76 respondents. Each of the questions was designed to satisfy at least one of the secondary objectives of the research. The response format was of a mixed variety which also helped in better determination of outcomes. It addresses one of the fundamental issues of e-marketing: how to attract and win over the consumer in the highly competitive Internet marketplace. Analyses the factors affecting the online consumer's behavior and examines how e-marketers can influence the outcome of the virtual interaction and buying process by focusing their marketing efforts on elements shaping the customer's virtual experience, the Web experience. Identifying the Web experience components and understanding their role as inputs in the online customer's decision-making process are the first step in developing and delivering an attractive online presence likely to have the maximum impact on Internet users. Click-and-mortar firms delivering superior Web experience influence their physical clients' perceptions and attitudes, driving additional traffic to traditional sales outlets. Provides a contribution to the theoretical debate around the factors influencing the online consumer's behavior and outlines some noticeable similarities and differences between the traditional and virtual consumers.

Index Terms— **Psychoanalysis, Elucidation, Buying Behavior.**

I. INTRODUCTION

India globally has the 4th largest Internet user base, which crossed the 100 million mark recently. Better connectivity, flourishing economy and prominent spending power helped the Indian e-commerce market revenues to cross $500 million with a CAGR of 103% over last 4 years. This may not be a significant number, averaging to only around INR 300/- per user per year.

According to the topical study on consumer behavior on the Internet users there are four discrete consumer groups with different intentions and motivations:

- Investigative
- Pursuit
- Shopping
- Informative

Preponderance of young and adults interviewed for purpose of this research tend to be vigorous information seekers.

A high level of technological confidence within this group tends to be an encouraging factor when it comes to product information research online.

The following analysis reflects both, focus group results and behavioral theory in a analogous fashion divided into two main research topics:

- Information Retrieval and Search Patterns
- Perception of Product Information Online

These two areas are interdependent and predominantly important in a market where consumers have the power

to choose the right product from a number of competing suppliers. Well-structured product information that cannot be found easily online is as much of a problem as is having easily accessible information that does not meet the consumer's expectations.

Among the online shoppers there are many potential online consumers with an intention to purchase, but only few finishes the buying process (Shim et al. 2001). Buyers are online consumers who really make a purchase but browsers are the online shoppers who perform to access the online stores to retrieve the details of products and services but are not in intention to purchase (Law & Bai, 2008). But there are studied that clearly explain the ways to convert an online shopper of browser to an buyer (Ranaweera et al. 2008). The web page's portrayal of its ambience and reliance helps the online browser to buy or not to, only the initial purchase satisfaction and experience of convenience online can make the online consumer come back again. Oliver (1999) found that the intentions of online shoppers with repeat of purchases will help to build relationship oriented online stores leading to online consumer loyalty. Constantinides (2004) clearly stated that there few influential factors which are external and internal that affect the online consumption behaviour.

Kotler (2003) stated the online consumer's behaviour is the learning process of the online consumer's online store experience, search of information, and decision making of the buying process. The figure 1 clearly depicts the influential aspects of online consumer buying behaviour which are considered to posses uncontrollable and controllable aspects. The Kotler (2003) work is further is further enhanced by the addition of controllable aspects for online store experience by Constantinides (2004). The online consumer behaviour is basically based on the whole impression of online stores portal. (Constantinides, 2004) The strike of emotions occurred and other psychological factors while shopping in the web portal results to the overall online behaviour of the consumer. The web portal expelling the weak emotions or bad experience of online store is mostly likely to lose the potential online consumer compared to that of a web portal which portrays good online shopping experience. Due to the bad experiences in online stores, the online consumers choose to shop offline and prefer offline more rather online stores for future purchases. Yang et al. (2003) found that the online consumers prefer the websites that directs them step by step procedure for purchase decision rather than online stores that just direct online buyer to products. Czinkota and Kotabe (2001) states the uncontrollable aspects of online consumers like demographics and culture is not under the control of online store marketers. Constantinides (2002) work stated the fact that the experience that takes place during online shopping between buyer and seller through virtual interaction medium has major influence compared to other aspects to influence the online consumer behaviour.

Finally the major impact on online consumers purchasing behaviour is mainly influenced by content, functionality and psychological behavioural factors (Constantinides, 2004). Jayawardhena et al (2007) study proves that the factor that generally motivates the online consumer to buying process is the maximum of control over their online shopping. But study of Sun (2010) proves that the online consumers are driven to buying process on the backgrounds of relationship excellence.

Consumers decision making process is vastly affected by the online store experience and behaviour are the main impacts of psychological aspects(Mcguire, 1976), Most online customers tend to terminate the online purchase for the reason of trust concern (Grabner-Kräuter and Kaluscha, 2003). Major online retailers created a trustful atmosphere for online consumers by providing guarantees and return policies which help to eliminate the customer's anxiety over online transactions. Web store option of frequently answered questions creates a positive element to the psychological aspect of the browser or buyer while shopping online. Online purchase returns without many hindrances and dissatisfaction handling of online consumer are all the additions to motivation for purchase decision process (Constantinides, 2004).

II. OBJECTIVES

Primary Research Objective
To conclude the factors and attributes which sway online buying behavior of consumers flanked by the age group of 18-30 years.

Secondary Research Objectives

1. To determine the psychographic profile of consumers who acquire products over the Internet.

2. To establish the key product or service categories opted for, by consumers depending on their silhouette.

3. To decide the factors which persuade the buying decision process of a consumer.

4. To determine the average expenditure and occurrence of procure over the internet by a consumer.

III. METHODOLOGY

The research was administered both online and in person during a 5 day period in April 2012. The location of in-person administration was VITS Campus,

Indore, M.P. Over 57 responses are from the online survey and the rest 19 from in-person survey conducted.

Survey Administration

The questionnaire comprised of 9 questions (Annexure II) which measured responses for different factors of frequency of purchase, payment methods, preferred products, average spending, hours spent on the internet etc.

The methods used for survey was questionnaire administration with respondents filling out the responses themselves and online survey on SurveyGizmo.com.

Sampling

The survey was conducted on 50 respondents; taster was based on affordability criteria particularly on time constraints. Email invitations were sent to provoke respondents on the Internet, and students in VITS Campus were contacted for responses.

IV. CONCLUSION

We found a strong inter-dependence between a few variables affecting online buying behaviour. For example, we found that owning a credit card has a significant impact on the frequency of online purchases as credit card is the most popular mode of payment on the Internet. Apart from the credit card, E-Banking is also slowly becoming a popular mode of payment and we found a relationship between people who use E-Banking and their frequency of online purchases too.

Interestingly, we found that gender does not have any major impact on the average amount spent over the Internet in a month, but it does have a relationship with the frequency of purchases. Also, the income of an individual does not have show any significant relationship with the frequency of purchases. These findings are starkly similar to the findings of Changing Consumer Perceptions towards Online shopping in India – IJMT, which was a part of our secondary data.

Based on the responses, we could divide the respondents in three clearly distinct groups. We named them: Confident Online Buyer, Unsure surfer and Mall Shopper. We were also able to successfully able to create a discriminant model which could predict cluster membership of users.

We could also arrive at six factors which can explain the data with 70% significance, these factors could be categorised into Time-bound and comfort seeking Value for Money, Trust, Connected and Up to date, Problems Faced, and Traditionalism.

We also found that the most popular product category sold online is Air/Rail Tickets. This forms a major chunk of the average amount spent by our respondents on the internet, Books come a close second. It must be noted that both the above products have a relatively low touch-and-feel need. These findings depict almost the same ranking as found by ACNielson on popular services on the Internet.

The most popular websites for these were found to be Makemytrip.com and Yatra.com. Apart from Air Tickets, Books, Gifts and Electronic Products are also very popular with the Online Shoppers and they are spending, on an average, Rs2000-Rs5000 per month on online purchases.

REFERENCES

[1] Sanghi, Seema, (2005). The Handbook of Competency Mapping: Understanding, Designing and Implementing Competency Models in Organizations, New Delhi: Response Books.

[2] Palaniappan, R., (2005). Competency Management- A Practitioner's Guide, Specialist Management Resources, Sdn Bhd.

[3] Sharma, R., (2002). 360 Degree Feedback: Competency Mapping and Assessment Centers, New York: McGraw-Hill.

[4] Sullivan, R., and Y., N. McIntosh, (1998). "The Competency-based Approach to Training', USA, http://www.reproline.jhu.edu/

[5] Healthcare Executive, (2006). "Career and Competency Mapping Leaders Embrace Life-Long Learning for Success", [Online] Available at: http://www.governanceinstitute.com/LinkClick.aspx?file ticket=LDcaH2RmAUU%3D&tabid=165&mid=857 [Accessed 11 Feb 2010]

[6] Gary Desslar Human Resource Management, 7th Edition. 1997 Prentice Hall, New Jersey Page-353-365 ISBN-81-203-1230-5

[7] Indira Gandhi National Open University School of Management Studies Organizational Development And Change Ms-10 Page-86-98

[8] Subba Rao Personnel and Human Resource Management Page-1-11 ISBN-81-7493-7773

[9] Ganesh Sherman (2004), *Competency Based HRM,* (Tata McGraw-Hill , New Delhi

[10] Pareek, U and Rao, T V (1982). *Designing and Managing Human Resource Systems,* New Delhi:Oxford & IBH.

QUESTIONNAIRE

We would be thankful for your cooperation if you spare a few minutes to answer the following questions:

❖ **Name:** …………………………………………

❖ **Gender:** Male ☐   Female ☐

❖ **Occupation:** …………………………………

❖ **Monthly Income:** …………………………………

❖ **Education:** …………………………………………

❖ **Marital Status:** …………………………………

1. Do you use the Internet regularly?

    ○ Yes   ○ No

2. On an average, how much time (per week) do you spend while surfing the Net?

    a) 0-2 hours   b) 2-6 hours

    c) 6-10 hours   d) 10-15 hours

    e) Greater than 15 hours

3. Do you use E-banking?

    ○ Yes   ○ No

4. Do you own a credit card?

    ○ Yes   ○ No

5. I am/would be comfortable buying the following categories of products online:

    a) Food & Beverages   b) Apparels

c) Electronic Products   d) Books

e) Gifts

f) Tickets

g) Car or hotel rental

h) Pharmaceutical Products

Any other product, please specify ————————————

6. How frequently do you purchase products/services online?

    a) Once a month

    b) 2-3 times a month

    c) Once in 3 months

    d) Once in 6 months

Any other, please specify ————————————

7. What is the average amount that you spend per purchase while shopping online?

    a) < Rs 500

    b) Rs 500-1000

    c) Rs 1000-Rs 2000

    d) Rs 2000-Rs 5000

    e) > Rs 5000

8. Which of the following web sites do you shop at?

    a) www.rediff.com

    b) www.indiaplaza.com

    c) www.indiatimes.com

    d) www.amazon.com

e) www.makemytrip.com

f) www.yatra.com   Any other, please specify ⸻⸻⸻⸻⸻

g) www.ebay.com