

Online buying behavior among Generation Z consumers

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ABSTRACT

Understanding the buying behaviour is an area of continuous challenge and ongoing contemplation. The organisation that can predict the buying behaviour with accuracy stands a better chance for success in the fiercely competitive market. Tools and techniques adopted for buying and selling are important and have been changing with more e-tools coming into play. The buying behaviour is important and so are the tools and techniques that facilitate transactions but equally important is to understand the depth of customer psyche and develop much needed accuracy in predicting the way ahead. The buying behaviour of consumers in general and generation Z in particular underwent tremendous changes in view of technology and availability of online platform. This effort is to understand the impact of different e-business practices on buying behaviour of the consumers. This research endeavour is an attempt to understand the factors affecting the online buying behaviour of Generation-Z and the impact of demographic variables over identified factors.

Keywords: Online buying behaviour, e-tailing

INTRODUCTION

Today the compatibility of Indian consumers with online platforms have grown phenomenally. There are over 150 million internet users and the numbers are growing every minute. The size of the e-commerce market is expanding phenomenally and so is the acceptance of the Indian consumers. E-commerce industry is big and booming and is a source of large volumes of business through e-trading activity. The success of e-commerce totally depends upon the responses of the users. The users have been increasingly compatible with the online buying modes and the pandemic has made the adoption much more easy. The traditional pattern of shopping has given way to modern technology which has numerous incentives. Now that consumers have used different online sites, the ease of use increases along with the expectation levels which have also risen considerably. This has played a pivotal role in changing the dynamics of the Indian retail market. The growing inclination towards the various e-tailing sites is due to the increase penetration of the internet and ease of operating the same. The fondness towards this platform has grown initially in the urban markets but the same is equally popular in the rural areas which are vastly unsaturated and have huge demand potential particularly in view of spread of internet. E-commerce also created new business

opportunities by making technology more adoptive which resulted in small business holders and entrepreneurs starting new business or expanding existing business. Generation Z is the generation succeeding millennial and comprise of those born from to late 1990s. This is the generation which have witnessed technological gadgets right from early age and adoption of usage of internet based technology is most common amongst these people.

Literature Review

Kunz (1997) linked the online shopping with buyer demographics. He concluded that customer's demographics is closely linked to online purchase intent. Golicic (2002) attributed the success of e-commerce to technology adoption. The innovations in technology provide convenience to people. It also provides access to large variety of products, huge amount of information, cash on delivery and doorstep deliveries. Hooda (2012) identified product and service authenticity as the major concern in online shopping. Timely delivery is an important parameter of quality as identified in the study. Zhou et al (2007) stated that customer's traits, prior experience, economic benefits and risk perception affect the online buying behaviour of the customers. Cosgun (2012) stated that e-commerce has defined business and customer relationship and all the different aspects of business like distribution, logistics, delivery, payment, communication medium etc. The study identified that technological factors and other factors like perceived benefits, compatibility, webpage also have a significant influence. Organizational factors like size, financial resources, top management support and IT are also important. Further industry, competition and external IT acts as a catalyzer that affects the environment for e-commerce properties including interactivity, content and convenience. According to Bharadwaj (2000) IT skills and experience of the employees are critical knowledge assets of the company and need to be continuously refined. Rahman (2018) studied online buying behaviour in Dhaka city of Bangladesh and identified similarity in online buying behaviour of male and females. The source of information is identified as website especially from social networks and most common payment option chosen is cash on delivery. The major concern identified in the study is regarding security of the payment system. Liu (2018) identified quality of information, website design, merchandise attribute, transaction capability, security/privacy, payment delivery and customer service to influence online shopping and determine the satisfaction level of buyers.

RESEARCH METHODOLOGY

This paper envisages the online purchase behaviour of Indian retail consumers using a structured questionnaire filled through online mode by generation z comprising both male and female respondents. The research methodology adopted for the study is both exploratory and descriptive. Detailed literature review is done to finalise the questionnaire. The questionnaire is administered over online platform. The following are the different objectives identified for the research

- To understand the various factors affecting online buying
- To understand the impact of gender on identified factors
- To understand the impact of education on identified factors.
- To identify the different challenges faced by consumers in online shopping

Simple statistical tools using SPSS 26 are used for analysis.

DATA ANALYSIS

68% of the respondents have opted for convenience as most important attribute that affects the satisfaction level of the respondents. Ease of access in anywhere, anytime and anyplace environment is another important factor as opted by 23% of the respondents. All the respondents are below 25 years and 69.2% of the respondents are below 20 years. The chosen respondents are extremely comfortable with the online environment and regularly buy on the e-commerce platform. The most popular e-commerce site is found to be flipkart as opted by majority of the respondent. 67% of the respondents have family income falling between Rs.35000 to Rs.50,000 on monthly basis. 40% of the respondents are from urban, 36% from semiurban and 24% from rural background. Majority (64.2%) of the respondents are female and 35.8% are males. Amongst females the personal care products and apparels are most commonly bought. The males are found to buy more electronic items online. The ease of navigation is the most common reason among the respondents for choosing a particular site.

One way ANOVA (table3) is being conducted on gender and various attributes like cybersecurity issues, convenience, overall experience, tangible benefits, quality of purchase and shopping experience. The significance value for quality of purchase is 0.031. This value is less than 0.05 and thus have a significant impact based on the gender of the respondent. Similarly when ANOVA is conducted on educational qualification and the different attributes no value of significance is observed. No significant impact based on age is observed.

Table 1: Age of the respondents

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid below 20 years</i>	249	69.2	69.2	69.2
<i>21 to 25 years</i>	111	30.8	30.8	100.0
<i>Total</i>	360	100.0	100.0	

Table 2: Gender

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid female</i>	231	64.2	64.2	64.2
<i>male</i>	129	35.8	35.8	100.0
<i>Total</i>	360	100.0	100.0	

Table 3:ANOVA

			Sum Squares	of Df	Mean Square	F	Sig.
cyber issues	security	Between Groups	.443	1	.443	.348	.556
		Within Groups	456.220	358	1.274		
		Total	456.664	359			
Convenience		Between Groups	.165	1	.165	.129	.719
		Within Groups	456.166	358	1.274		
		Total	456.331	359			
overall experience		Between Groups	1.813	1	1.813	1.412	.236
		Within Groups	459.687	358	1.284		
		Total	461.500	359			
tangible benefits		Between Groups	.197	1	.197	.145	.704
		Within Groups	487.067	358	1.361		
		Total	487.264	359			
Qualityof purchase		Between Groups	5.056	1	5.056	4.716	.031
		Within Groups	383.874	358	1.072		
		Total	388.931	359			
shopping experience		Between Groups	1.725	1	1.725	1.445	.230
		Within Groups	427.375	358	1.194		
		Total	429.100	359			

CONCLUSIONS, LIMITATIONS AND FUTURE SCOPE

The study confirms that the consumers are becoming increasingly comfortable with the online buying environment and are adopting it for buying products of different categories. The buying behaviour is dynamic and subject to continuous change. The online portals have been realizing the growing potential of sale and are trying to get hold of the consumers. In this scenario it is increasingly important to understand the factors affecting the buying behaviour of the online buyers. In this study it is found that the most important factor identified to affect consumer’s online buying behaviour is convenience which is opted by most of the respondents followed by ease of access in anywhere anyplace environment. The third important factor is access to omnichannel shopping in order to get favorite brands on the same channels that they spend time upon. Ease of payment is other preferred choice. When convenience is opted as most preferred than the ease of payment is

also taken into consideration. Availability of cash on delivery option along with fast and reliable delivery is another common preference. The biggest challenge that emerged from the study is the problem with the payment system. Many times the respondents fail to get quick update on payment and processing time is also found to be more. Another common problem reported mostly by female respondents is non availability of cash on delivery option in many product categories. The study is conducted in a limited time period on a particular age group with a limited number of variables in the state of Uttarakhand and hence the results are difficult to generalize. Similar study can be conducted over a wide and varied sample taking into consideration more number of attributes.

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