

**Influence Of Demographic Profile Of Consumers On Online Shopping
Behaviour**

Tanvi Jindal

**Research scholar, Desh Bhagat University
Department of Commerce and Management
Mandi Gobingarh, Amluh, Punjab- 147301 India
(Email- anglebirth1990@gmail.com, Cell- 9814450024)**

Dr. Payal Bassi

**Associate Professor, RIMT University
Mandi Gobindgarh, Punjab -147301 India**

Dr. Manpreet Kaur

**Assistant Professor, Desh Bhagat University
Mandi Gobingarh, Amluh, Punjab- 147301 India**

ABSTRACT

Online retailing is unanimously accepted and acknowledged as a cost-effective, profitable and accessible medium to shop. Online shopping is a recent phenomenon in the field of e-business and is definitely going to be the future of shopping in the world. Most of the companies are running their online portals to sell their products/services online. There is hardly any product, service or commodity which is not being sold through internet. Though online shopping is very common outside India, its growth in Indian Market, which is a large and strategic consumer market, is rapidly emerging in line with the global market. The potential growth of online shopping has triggered the idea of conducting a study on online shopping in India. This study investigates the impact of demographic factors on consumer's online shopping behavior. Qualitative research methods have been used to study the impact of demographic factors of

consumers on their perceptions regarding online shopping. The data was collected through Questionnaires on a sample of 600 respondents from different cities of Punjab including Ludhiana, Jalandhar, Patiala and Pathankot chosen using judgemental and snowball sampling techniques. Information regarding the frequency of online shopping has also been gathered from all the respondents. The findings of the study reveal that online shopping among selected respondents is strongly influenced by demographic profile of the purchaser which included factors like age, gender, education, occupation, area of residence and income. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area.

Keywords: Online shopping, Demographic factors, Consumer perception, Snowball sampling, Judgemental sampling

INTRODUCTION

Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. A highly demanding lifestyle is compelling consumers worldwide to adopt internet shopping as an alternative to traditional brick and mortar shopping. People, in order to save time and money are motivated to purchase products and services online. One of the most enticing factors about online shopping, particularly during a holiday season, is it alleviates the need to wait in long lines or search from store to store for a particular item (Verma, 2014). Companies are investing profoundly on technology to make best use of internet as the shopping channel. The invention of internet has created a paradigm shift in the way people shop. With internet being developed as the new distribution channel, a consumer has become active at virtually any place or time to purchase products or services of his choice. However, adoption of this new marketing channel is

dependent upon consumer's profile and their willingness towards online shopping (Dholakia and Uusitalo, 2002). Broadband connectivity and increased usage of credit cards have provided a favorable infrastructure for the growth of online shopping in India. High speed broadband connections have resulted in better and faster display of goods in an appealing manner. Continued liberalization in the telecom sector has shown positive effects in the past few years. Today, internet services can be conveniently obtained from telecommunication providers at affordable rates. Internet has reached common individuals, thanks to sprawling cyber cafes, inexpensive broadband connections and government initiatives of e-kiosks. According to statista.com the total number of online buyers globally in 2014 was 1.12 billion while the number has increased to 1.32 billion people in 2016. In 2015, India had 408.4 million internet users. This number is projected to grow to 635.8 million in 2021 (Wani and Ali, 2016).

Demographic Profile of Consumer and Online Shopping

Online shopping is influenced by multiple factors which depend on consumer needs and their immediate necessities. The difference in online purchase decision on the basis of economic status are very much observable. Demographic factors are the socioeconomic factors which involve the general population and it comprises of factors such as age, gender, income level, ethnicity, designation or occupation, geographical location, marital status, religion, and size of family (Akkucuk and Esmaeili, 2016). Online shopping is gaining popularity among people of young generation. Higher income groups and educated people are purchasing more via e-retailing websites (Upasan et al., 2015). As of 2015, the majority of online users in India were male, and the same held true for online shoppers. In India, men accounted for almost two thirds of online shopping audiences. Despite this imbalance in online presence and digital spending, female online shoppers are estimated to account for 42 percent of all Indian e- retail spending in 2020,

up from only 20 percent of total retail e-commerce expenditure in 2015. Average annual e-commerce sales per digital buyer in India were 247 U.S. dollars in 2014 and are projected to reach 424 U.S. dollars in 2020 (Kothari and Maindargi, 2016). The conventional literature holds sufficient evidence to support the effect of many factors including gender, education, income, age, households, business and geographical areas at different socio-economic levels on purchase decisions.

Age is a crucial demographic aspect that impacts online shopping behavior, as the purchase decisions change with age (Gurmu and Etana, 2014). People of younger age tend to spend more on lifestyle, fun, fashion, while elderly people spend on most health-related expenses. Younger generation has always exhibited a positive disposition towards adoption of a new innovation and understands the technological changes and complexities optimistically than the elderly segment (Schiffman and Kanuk, 2003). The early adopters of internet technology are typically younger in age primarily on account of its utilitarian and hedonistic benefits (Bordeau et al., 2002). It is also found that the younger generation is less concerned about the security and reliability aspects of internet technology (Fogg et al., 2001; Zhao and Gutierrez, 2002). The older shoppers are more concerned about the country of origin of a product or service before buying while younger shoppers likely take an online purchase decision due to better computer skills and more experience in using the internet (Rajyalakshmi, 2015). However, Pinca (2015) found that the younger age group was reluctant to buy online due to financial insufficiency, and are cautious of online shopping.

Gender differences influence buying decisions as per their varied needs and lifestyle. Shopping behavior differences are significant between men and women. Women perceive a higher risk of online purchases than men. On the other hand, shopping orientation is also

different for men and women. Women's online buying behavior is led by social interactions and is mostly recreational. Women perceive shopping as an entertainment channel to socialize and interact with other consumers and get more satisfied purchasing from brick establishments compared to online stores. Men lay more emphasis on hassle free purchases in the comfort of their homes or workplaces and mind less on the recreational benefits of store shopping. Thus, men are more convenience-oriented and do not give importance to face-to-face interaction (Oakley, 2016). Consequently, their overall positive attitude towards internet shopping is high compared to the fairer sex. (Teo, 2001; Nayyar and Gupta, 2010). Another study on the impact of demographic factors on online shopping behavior of consumers in the city of Delhi also showed significant difference in the online shopping behavior of the consumers in relation to age and gender (Sharma and Batra, 2016). Pinca (2015) indicates predominance in female than male in buying online. Indeed, it could be inferred that female are more shopaholic than male in online shopping.

Based on rural and urban location, marketing strategies are being idealized; Consumers from the urban market are exposed to a different set of goods, newly launched fast moving products or services. People who live in rural areas with less number of shops are more likely to purchase online in order to save time in travelling shops (Andrews and Hampel, 2015). A large income encourages people to conduct more internet shopping (Fogg et al., 2001). Educated people make good innovators and early adopters of new technology. Less educated people tend to exhibit higher degree of anxiety towards computer technology. As a consequence, their negativity towards internet as a direct channel of retailing is inevitable (Teo, 2001; Zhao and Gutierrez, 2002; Dillon and Reif, 2004). IT literacy across countries is higher among the highly educated. Nayyar and Gupta (2010) reported that highly educated people form a representative

population of online buyers. However, in a recent study Panday and Parmar (2019) observed around (63%) of online buyers were educated up to bachelor, (22.8%) were masters, (10.5%) having intermediate, (1.2%) having high school and (2.5%) were having above master degree. Mityko, (2012) found that most of the consumers have obtained high school education while large numbers of consumers were educated up to graduation level or higher and 99.00 per cent of them were familiar with the possibility of shopping online.

People at higher position in their organizations embrace new and innovative technology faster compared to those at lower positions. Higher the educational level, income, and occupation, higher would be the perception of internet retailing (Cunningham and Cunningham, 1973; Wotruba and Pribova, 1995; Fogg et al., 2001, Nayyar and Gupta, 2010). Panday and Parmar (2019) has reported around (80.9%) of respondents having less than ₹ 25000, (16%) were in income group 25000 to 50000, (3.1%) were in income group of greater than 50000. Literature review has revealed that most of the internet shoppers are men, earning high incomes and owning a university education (Dholakia and Uusitalo, 2002; Vrechopoulos et al., 2001). Kumar and Sobha, (2016) reported that majority of the online buyers (67%) shop products very often, 32% purchase product once in a month, 24% shop product once in two months and 32% shop once in six months, while only 16% shop product once in a year. Panday and Parmar (2019) observed that more than half (63%) of respondents were having monthly, (16.7%) of respondents were having weekly, (16.1%) of them were having annually and (4.3%) of them were having daily online shopping. The research provides a holistic view of the various demographic factors influencing consumers' willingness to purchase online.

Research Objectives

1. To study the demographic profile of the online buyers.

2. To study the impact of selected Demographic factors on online shopping behavior of consumers.

MATERIALS AND METHODS

In order to assess the influence of demographic factors on the consumer perception while doing online shopping, a questionnaire was developed and administered to a sample of people living in different cities of Punjab including Ludhiana, Jalandhar, Patiala and Pathankot. This study was conducted from May, 2017 to November, 2017 with a sample of 600 respondents who were practicing online shopping. A combination of Judgmental and snowball sampling were used because of the list of the online shoppers was not available. The first set of respondent was selected on the basis of judgement. Subsequently additional units were obtained on the basis of information given by initial sample units and then further referrals were taken from those selected in the sample. Majority of the questions were closed to enable coding and computation. Before questioning the consumer, the purpose of the study was clearly explained in order to obtain verbal consent. The study collected information on the demographic profile of the selected respondents. The survey data was analyzed descriptively with SPSS 17.0 (Statistical Package for Social Sciences Version 17.0) and the results have been presented as frequencies and percentages.

RESULTS AND DISCUSSION

The data collected has been comprehended and presented in the form of tables and the findings of the study have been discussed with the results of other investigators.

Table 1: Distribution of Respondents According to their Age

Age Groups (yrs)	Frequency	Percentage
15-30	538	89.70
30-45	43	7.20

45-60	17	2.80
> 60	2	0.30
Total	600	100.00

Table 1 reveals that majority of the respondents (89.70 per cent) selected for the present study belonged to age group of 15 to 30 years followed by 7.20 per cent of respondents who belonged to age group of 30 – 45 years while 2.80 per cent of respondents were aged between 45 – 60 years and only 0.30 per cent respondents were found to be aged above 60 years. Hence, it can be concluded from the present study results that people from younger age groups are more in to habit of online shopping. The results are in consistent with the findings of other investigators who also observed that younger generation has always exhibited a positive disposition towards adoption of internet retailing, a new innovation (Fogg et al., 2001; Bordeau et al., 2002; Schiffman and Kanuk, 2003; Nayyar and Gupta 2010).

Table 2: Distribution of Respondents According to their Gender

Gender	Frequency	Percentage
Male	299	49.80
Female	301	50.20
Total	600	100.00

Majority of the respondents i.e. 50.20 per cent were found to be females and the rest 49.80 per cent of them were males (Table 2). Thus, it is clear from present study results that females form greater part from the population of online consumers. The findings are in tuned with the results of Pinca, 2015 who also reported that females are more shopaholic than males with regard to online shopping.

Table 3: Distribution of Respondents According to their Location of Consumer

Location of Consumer	Frequency	Percentage
Urban	296	49.30
Semi-urban	03	0.50
Rural	301	50.20
Total	600	100.0

Table 3 depicts the distribution of respondents according to the location of their residence. It has been found that majority of respondents i.e. 50.20 per cent were living in the rural areas followed by 49.30 per cent who were residing in the urban localities of the selected cities of Punjab while only 0.50 per cent respondents were residents of semi-urban areas. It is thus clearly indicated that respondents from rural areas are more habitual of online shopping which might be due to the fact that super markets are still not available in rural areas. Similar results have been observed by Andrews and Hampel (2015) which indicated that people from rural locations are more likely to opt for online shopping to save time in travelling shops.

Table 4: Distribution of Respondents According to their Income

Income (Rs.)	Frequency	Percentage
< 1,00,000	222	37.00
1,00,000 -2,00,000	156	26.00
2,00,001 -3,00,000	119	19.80
3,00,001 -4,00,000	31	5.20
4,00,000 -5,00,000	29	4.80
>5,00,000	43	7.20
Total	600	100.00

It is revealed from Table 4 that majority of respondents (37.00 per cent) of the present study had income below Rs. 100,000 followed by 26.00 per cent who were having an income between Rs.

100,000 to Rs. 200,000 while 19.80 per cent of them were having income between Rs. 200,001 to Rs. 300,000 and 7.20 per cent respondents had income above Rs. 500,000. 5.20 per cent respondents selected for the present study had income from Rs. 300,001 to Rs. 400,000 however only 4.80 per cent had income between Rs. 400,001 to Rs. 500,000. Thus, more of the online buyers had lower income level. Panday and Parmar (2019) has also reported lower income consumers to be frequent online shoppers. However, researchers (Fogg et al., 2001; Dholakia and Uusitalo, 2002; Nayyar and Gupta, 2010) reported that internet shoppers are earning high incomes.

Table 5: Distribution of Respondents According to their Education Level

Education Level	Frequency	Percentage
Higher Secondary	74	12.30
Diploma	45	7.50
Graduation	306	51.00
Post Graduation	162	27.00
Any Other	13	2.20
Total	600	100.00

Information collected regarding Education level of the respondents showed that majority of the selected online consumers (51.00 per cent) were graduates followed by 27.00 per cent of them who were post graduates and 12.30 per cent were educated up to higher secondary level only while 7.50 per cent were found to be diploma holders while only 2.20 per cent of respondents were having different education level other than stated categories (Table 5). It is thus concluded from present study results that well educated people are more habitual of online shopping. Findings of Panday and Parmar (2019) and Mityko, (2012) have also revealed the similar interpretations that maximum of online shoppers are educated up to graduation level and less

educated as well as highly educated people exhibit higher degree of anxiety towards innovation, technology and risks involved.

Table 6: Distribution of Respondents According to their Occupation

Occupation	Frequency	Percentage
Services	87	14.50
Business	46	7.70
Professional	39	6.50
Student	415	69.20
Housewife	13	2.20
Total	600	100.00

Table 6 depicts the occupation of the respondents selected for the present study. Majority of the respondents i.e. 69.20 per cent were found to be students followed by 14.50 per cent who were service men and 7.70 per cent of them were businessmen while 6.50 per cent of respondents were professionals. Only 2.20 per cent respondents were not doing any office job instead they were found to be home makers. The present study results indicate that students are the most common online shoppers who might be more familiar with internet and social media.

Table 7: Distribution of Respondents According to their Frequency of Online Shopping

Frequency of Online Shopping	Frequency	Percentage
Rarely	269	44.80
Seldom	105	17.50
Often	142	23.70
Very often	84	14.00
Total	600	100.00

Frequency of online shopping by the selected respondents reveals that the majority of respondents (44.80 per cent) were making online purchasing rarely followed by 23.70 per cent of

them who were habitual of online shopping quite often while 17.50 per cent seldom opted for online shopping and the rest 14.00 per cent of the respondents were doing online purchasing very often (Table 7). It is clear from present study findings that people do online shopping rarely however, findings of other investigators (Kumar and Sobha, 2016; Panday and Parmar, 2019) show that consumers are making online purchasing very often and monthly.

CONCLUSION

The overall results prove that the respondents have perceived online shopping in a positive manner. This clearly justifies the project growth of online shopping in the country. Females tend to shop online than males. It may be because females are more inclined to shop both in stores and online. Younger age group (15 years to 30 years) has exhibited a positive disposition towards online shopping. Well educated people although earning lesser income and living in rural areas have been found to regular online shoppers. However, the frequency of online shopping is relatively less among the people of the selected cities (Ludhiana, Jalandhar, Patiala and Pathankot) of Punjab.

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