

J. D. Women's College
Department of MBA
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Topic- E- Consumer Behaviour- part 1

The internet has traversed a long way from being a medium of communication to becoming a source to entertain, learn and exchange of goods and services through various online platforms. Shopping through the internet has brought a new dimension to commercial activities. Compared to traditional shopping, the consumers are now preferring online buying because of the many benefits that it offers.

The increasing popularity of the internet is resulting in 'do it yourself' marketing where consumers cut out the marketing middlemen in accessing information on product quality and features and pricing etc.

Use of the internet in retail shopping has expanded immensely in recent years and has had a profound influence on the shopping process for many consumers. While buying online a consumer looks for convenience, product comparison facility, price benefits and speed etc. These features may be available in the traditional mode of buying too but due to technological advancement and changing lifestyle the internet has brought sea changes in the consumer's mindset in terms of facilities associated with online shopping. Thus the internet has provided marketers with a completely new way to create value for their customers and build relationships in the form of online buying.

Shopping through the internet is also known as **e- buying** wherein '**e**' stands for **electronic** and the **behaviour that the consumer displays while buying through the net is known as e-consumer behaviour**.

The consumers while buying online can 'self inform', 'self organise', 'self evaluate', 'self segment', 'self support' and 'self program'.

Factors affecting online buying behaviour

Apart from the factors like culture, social class, personal and psychological aspects that have varying degrees of influence on a consumer purchase decision, there are a whole lot of other factors that influence the online behaviour of a consumer. The consumer choosing to buy online would look at things like time saving, convenience of shopping online, varied choice of products etc. Many consumers would feel that time saving and convenience

is the major factor that draws them closer to online purchase. Some important factors like consumer communities, word of mouth and banner advertisements have been explained.

- **Consumer Communities**

The internet has seen the coming up of online communities where people sharing common areas of interest gather for shared discussion leading to a complex network of personal relationships. The online communities are in the form of social networking sites like facebook, twitter and many others where the community members engage in more social and relational behaviours. The consumer community facilitates more real life engagements and communications and people exchange information and share their experience of using a product and opinion about brands.

- **Word of mouth**

Verbal consumer to consumer connection or simply word of mouth (WOM) is an important factor in consumer behaviour. Using the online forum consumers can publish their opinions, feelings, thoughts and viewpoints on products and services to the public at large. There are a number of ways in which WOM messages are communicated on internet:

- Posted reviews that include consumer opinions published by online merchants or commercial websites.
- Discussions forum which includes bulletin boards and published ongoing discussions on certain topics

- Mail Bags includes customers and readers comments and feedback posted on websites of such organisations as consumer product manufacturers, service providers, magazines etc.

The internet WOMs are accessible to a large number of consumers for a very long duration making them highly referable. The prospects can collect value information from such sources and it can ultimately help them in making the right decision. Understanding the impact of WOM on decision making process can help marketers to better utilize WOM to encourage purchase and consumption

- **Banner advertisements** that show up on websites

Such advertisements show up on the websites mentioning the brand name and logo and sometimes also about a product have a direct effect on probability of purchasing the advertised brand and indirect effect on competing brands. The direct effect occurs because the banner ad increases the accessibility of advertised brands in the memory. The indirect effect occurs because the advertised brand is more likely to be retrieved when making judgements about competing brands.

- **Degree of trust on the online platform**

The consumers need to trust that their financial data is safe through online purchase. Security and privacy issues may hinder online purchasing. Today the most successful firms have made trust their key differentiator.