Online Marketing - Influence of consumer profile on 'online shopping': A review

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ABSTRACT

Consumer wants today more convenience in terms of availability, time and energy thus internet shopping is one of the fastest technologies. The present study examines importance of online shopping in today's scenario of consumer recession. The Internet has brought many unique benefits to consumers, one of which being lower of costs for shopping and collecting information seating at home. This gives lot of avenues to a global audience. The scope of online shopping is deemed to be broad in scope. Thus, the focus of this review research is to study the current trends in internet marketing and use of internet for shopping by customers. They can be public sector employees, private sector employees, businessman, students, unemployed, self-employed, are users of internet.

At present, there are abundant studies on consumers' online impulsive buying, but most of them are from the perspectives of cultural differences, remoteness, expected regret, product type, price promotion, online store image etc.

Keywords: Online shopping, Internet marketing, consumer profile, Consumer preference, Impulsive buying.

1. INTRODUCTION

Online shopping is growing rapidly but rural markets have low acceptance of this retail channel. Literature on rural online shopping is scarce and so the literature examining the influences on online shopping is used to study characteristics for rural markets. The review examines the influence of consumer characteristics on online shopping, product characteristics influence on online shopping, relative competitive ability of online and off-line retail business. Their influence on online shopping and the influence of infrastructure on online shopping. The review of online shopping literature is used to draw implications for decision making and also to understand the research issues for online shopping.

Online shopping is gaining substantial acceptance in India. The price advantages, convenience and choice it offers to consumers have enabled ecommerce companies to grow rapidly. The advantages that online shopping holds for consumers in rural areas are many as rural consumers prefer value for money, seek convenience and variety. The presence of ecommerce in rural areas is however low and there are not many studies that have examined the issue.

This review examines literature on online shopping to understand the influences that affect online shopping in India. The review looks at differences in urban and rural markets and examines the online shopping literature to understand their influences on online shopping. A difference in the profile of rural and urban consumers has different acceptance levels of the online shopping. Rural and urban market consumers have variations in beliefs and attitude towards online shopping. Product characteristics can be expected to have no influence but this could moderate consumer behavior like price and therefore this is also examined. This review seeks to understand the influence of consumers' profile on internet shopping to find out profile of consumers and their effect on internet shopping in these two markets. Age is also observed to

have an influence on the attributes and influences on online shopping.

2. HISTORY OF ONLINE MARKETING

Considering the current volume of internet marketing business, it's hard to believe how young the internet marketplace is. While the timeline of internet marketing has been short, the cumulative events leading up to where we are now having impacted the entire globe faster than any marketing revolution in history. In 1994, spending for internet marketing totaled nearly nothing, but increased to over $300 million in 1995. Now, little more than a decade later, marketing spending and internet marketing business has exploded to nearly $200 billion (according to Forrester Research). Today, it's hard to believe in having an organization which doesn't have some kind of online presence.

When the internet was first introduced in the early 90s, it wasn't considered to be an advertising medium at all. Instead, the internet was treated as a tool for exchanging emails and digital information, but wasn't yet considered valuable for reaching customers. However, it wasn't long before marketing pioneers began to see the potential for internet marketing business as millions of web surfers logging on each day to find valuable and relevant information. Within just a few years, informative and educational marketing, as well as graphically enticing banner ads began to be show up. It wasn't long before results began to flood in which proved the value of the internet marketplace to even the most skeptical advertisers.

Most importantly, companies which had been spending huge chunks of their marketing budget on offline list building, begin to realize that they could accomplish the same thing via email and for much less. It wasn't long before everyone from industry giants such as Microsoft Corp to small businesses began to build company sites and spend marketing dollars to attract qualified traffic.

Interactive features were added to web pages, consumers were given the option of turning off marketing messages at their will and they did. Suddenly, billions of "voices" began to rise all over the world, as the internet marketplace became as much a global community as it was an advertising medium. This led to a relational based marketing approach which has led to one of the most lucrative opportunities for solo entrepreneurs and small start-ups to make a small fortune working from their spare bedroom. Who knows where the internet marketing revolution will lead us, but one this is for sure: those who understand the principles of internet marketplace will grab most opportunities to create internet marketing business success and to serve the consumer better?

3. CONSUMER PROFILE AND INFLUENCE ON INTERNET SHOPPING

The review seeks to understand the influence of consumers' profile on internet shopping to study variations in profile of consumers and their effect on internet shopping in the markets.

In a study of 447 Spanish buyers using mobile applications it was observed that influences that affected satisfaction with the shopping experience varied. Satisfaction with mobile shopping and positive WOM for young adults was influenced by the entertainment the experience offered. For higher age group it was group influence (subjective norms) that influenced mobile shoppers' satisfaction and WOM (San-Martin 2015)

In an online survey of 243 users of grocery shopping service from an internet shopping service of an US retailer that it was observed that people with disability found online shopping useful or mothers with children (Morganosky and Cude 2000).

There is evidence that profile of consumers influences online shopping. An experimental research method was used by a study with a sample of 258 rural consumers from U.S. Younger consumers in rural areas were likely to purchase through internet. Education, income and gender did not affect internet shopping in rural areas (Worthy et al. 2004).

Risk propensity of consumer towards online shopping Risk perceptions and their influence on online shopping was examined using modeling of consumers as risk neutral and risk averse. This theoretical paper suggested that risk neutral consumers were more likely to shift to online shopping than risk adverse consumers. Risk adverse consumers once they used an online shopping site preferred to continue. The loyalty to a site possibly also explained price dispersion for commodities in online market space (Gupta et al. 2004).

Consumers relied on brand name of retailer to select the same product and pay premium for non-contractible part of the product and service bundle, like shipping reliability. Analysis of online purchase of books by 20,268 U.S. consumers indicated that for a homogenous product there was consumer preference for well-known retailer brand. Presumably brand was a proxy for retailer credibility and for which the consumers paid a higher price for the same product (Smith and Brynjol Fsson 2001).

Cognitive dissonance framework was used to understand offline brand influence on online performance for multi-channel retailers. This understanding was tested using experiment method and with 4000 subjects in U.S. The study observed that offline brand image influenced online image. Online perceived risk however did exhibit an influence on online brand loyalty (Kwon and Lennon 2009).

In a study of 734 mobile shoppers in Germany it was observed that more than trust of mobile vendor the social acceptance of m-shopping influenced intention (Grob 2018). Analyzing the consumer responses to two bi-annual surveys Hoffman et.al. (1999) inferred that privacy issues of online shopping were a key concern of consumers. In a study of 780 university students in U.S., credit card security was an issue for online shopping (Lester et al. 2005)

4. CONSUMER BENEFITS SOUGHT FROM ONLINE SHOPPING

The review of literature that examined the benefits sought by consumers is expected to help understand the motivational factors that affect online shopping and their influence on online retailing. In a study of 780 university students in U.S., it was observed that fun, product information, availability of unique products, ability to compare prices and a few other advantages were identified with online shopping (Lester et al. 2005).

To understand the impact of electronic market place on the participants, the buyer search behavior was modeled. The model was validated with three airline reservation sites. Electronic market places in commoditized market provided buyers with price information and in markets with differentiated products the buyer was able to get information on products and thus helped take decision on the product that suited the consumer and also at competitive price (Bakos 1997).

In a telephonic interview with 790 internet users in a city the results indicated that internet shoppers valued convenience, sought variety, were impulsive, innovative and less risk averse (Donthu and Garcia 1999). Convenience and comprehensiveness of online shopping influenced the frequency of rural consumers to shop online. American rural consumers were 16% more likely to shop online than urban consumers (Peters 2004)

Consumer costs and barriers to acceptance is reviewed for implications for rural consumers. In a study of 734 mobile shoppers in Germany it was observed that more than usefulness (convenience etc.) or enjoyment in m-shopping it was the ease of use that influenced m- shopping (Grob 2018).In a study of 272 undergrads it was observed that touch and feel were important for buyers and this was a barrier to acceptance of online shopping (Citrin et al. 2003).In a study of 780 university students in U.S. one of the disadvantages of online shopping was the inability to experience the product in online purchase (Lester et al).

5. CONCLUSION AND FURTHER RESEARCH

The survey finds that consumers shop online to save time and for available varieties of products and services. Both male and female both behave same towards liking and disliking factors. They like home delivery facility and they also like to touch and feel the product most. The most of the consumers are concern about the security of the payment system, and their overall online shopping satisfaction is mixed.

They acquire online shopping information from websites especially from the social network like face book, review sites. Consumer purchase apparels, accessories mostly through cash on delivery method of payment. Services are preferred over products for online shopping in

rural markets as the need for experiencing the product is high and this is possible in retail store for products but not for services. Partnering or use of trusted retail brand to which consumers are loyal would help gain greater acceptance of online retail service compared to offline markets. Product influence needs to be examined for differential response between customer relationship and customer service approaches.

Researcher suggests further reading in terms of rapidly advancing information technology and profile of the consumers. The further research can be carried out for segmentation of consumer using demography like geographical area, income source and age either younger or elder / older and changing profile of the online consumer.

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