

# A Study on Consumer Psychology towards online product services at Ranipet District

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## ABSTRACT

Consumer psychology is that the study of the processes involved when individuals or groups select, purchase, use, or eliminate products, services, ideas, or experiences to satisfy needs and desires. the choice to consume typically is that the culmination of a series of stages that includes need organisation, information search, evaluation of alternatives, purchase, and post purchase evaluation. However, in some cases this rational sequences is short- circuited as consumers make decisions supported' In other cases, subjective criteria also may cause the persons option to diverge from the result predicted by a strictly rational perspective on behaviour, indeed, many consumer behaviour including addictions to gaming, shoplifting and even shopping itself are quite irrational and should literally harm the choice maker. The study of consumer psychology underscores the importance of individual and group variable that help to shape preferences for product and services, additional demographic differences like age, stage, with in the life cycle, gender, and class, psychographic factor like personality traits often play a serious role. A persons identification with others who constitute significant reference group or who share the bounds of sub-cultural membership also exerts a strong impact on his or her consumption decisions. These macro influences on behaviour make it more or less likely that an private will to prefer adopt new product ideas or services as these innovations diffuse through a market or culture. **KEY WORDS:** life cycle, product ideas, innovation

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## INTRODUCTION

Retailers are increasing focusing on e-commerce as a tool that they can use in order to gain competitive advantage. However, it is notable that in order for e-commerce to be a truly successful medium, the retailers have to identify the consumer behaviours portrayed towards the same in order to encourage spending.

Specifically, the retailers have to learn how consumers behave towards online product display, online payment methods, return services, warranties provided by the online retailers, different methods of product delivery and credit facilities offered by the retailers among others.

The typical online purchasing decisions are made in a process comprising of the following stages: 1) need awareness; 2) searching for relevant product information; 3) evaluating available alternatives; 4) implementing the purchase decision; and 5) Postpurchase decision-making.

Hadjiathanas & Christou notes that understanding consumer behaviour in e-commerce involves gaining insight on how the people search for product information in an online environment (1). Once understood, the retailer can then customize their websites to meet the specific information needs that consumers need in order to make the purchase decision.

Since the online environment gives consumer a wider choice of products and product platforms from where to make their purchases, this study seeks to establish the exact consumer behaviour portrayed in an e-commerce environment and the specific factors that influence such behaviour. The study also seeks to highlight aspects of ecommerce consumer behaviours that the researcher considers important towards helping retailers meet the diverse consumer behaviours presented in an online environment.

This study acknowledges that consumer behaviour; just like in the traditional marketplace is influenced by personal, lifestyle and psychological factors. As such, the paper will seek how each of the factors affects consumer behaviour and how online retailers can meet the consumers needs highlighted in such behaviours.

## LITERATURE REVIEW

A review of the related research work shows that the theory of Technology Acceptance Model (TAM) (Davis, 1989) is among the most popular theory used to explain online shopping behavior. Therefore, the theoretical framework of this study is based on this theory. The classic Theory of Technology Acceptance Model (TAM) has been extensively adopted for explaining and predicting user behavior in an online shopping environment. The TAM posits that actual system use is determined by users' behavioral intention to use, which is, in turn, influenced by their attitude toward usage. Attitude is directly affected by users' belief about a system, which consists of perceived usefulness and ease of use (Davis 1986). In construction/development of the TAM, perceived usefulness and perceived ease of use reflect the utilitarian aspects of online shopping, while perceived enjoyment reflects the hedonic aspects of online shopping. Past research shows that perceived usefulness and perceived ease of use reflect utilitarian aspects of online shopping, whereas perceived enjoyment reflects hedonic aspects of online shopping (Monsuwe et al., 2004). Based on technology acceptance model, (An and Wang, 2007) built a comprehensive conceptual model of online shopping intention, which comprised external variable and intervene variable. The former includes consumer personality, perception of website characteristics and perception of online retailer feature, while the latter includes perceived usefulness, perceived ease and credibility. Both external variable and intervene variable have significant effect on consumer intention of online shopping. These studies are mainly about consumer behavior on online shopping (Menon and Kahn, (2002); Childers et al., (2001); Mathwick et al., (2001) concluded that Online shopping features can be either consumers' perceptions of functional and utilitarian dimensions, like "ease of use" and "usefulness", or their perceptions of emotional and hedonic dimensions like "enjoyment by including both utilitarian and hedonic dimensions, aspects from the information systems or technology literature, as well as the consumer behavior literature are integrated in our framework. (Burke et al., (2002) In addition to these relevant online shopping features, also exogenous factors are considered that moderate the relationships between the core constructs of the framework

### Research Model

The schematic diagram of the research model above shows the relationship between the dependent and independent variables. Attitude toward online shopping is the dependent variable in this research. The dependent variable is analyzed in order to find out the answers or solution to the problem. Meanwhile, the independent variables in this research are perceived risk, perceived enjoyment, perceived usefulness and perceived ease of use. The independent variables are believed to be the variables that influence the dependent variable (attitude toward online shopping) in either a positive or a negative way.

## RESEARCH METHODOLOGY

**POPULATION AND SAMPLE:** Researchers like (Davis, Monsuwe, Dellaert, Ruyter, Stoel) explored that the youth are the main buyers who use the internet to buy the products online. So, as the universe of this study, the researchers considered higher education students in Delhi who used the internet for different purposes and who are above the age of 18 years. The current study utilizes a non-probability sampling technique that is convenience sampling. In this study, the researchers collected the primary data through distribution of survey questionnaires. The researchers developed a self-structured questionnaire to collect the required primary data. The principal component analysis was conducted with 100 respondents. Apart from that demographic information, respondents were asked to rate their opinion according to five point Likert rating scale, with rating five being "Strongly Agree" and one being "Strongly Disagree". The collected data was analyzed with the help of Statistical Package for Social Science (SPSS 17.0). Factor analysis is the basic tool that has been considered for data analysis.

## DATA ANALYSIS AND RESULTS

### • Demographic characteristics

The exhibits the demographic traits associated with the respondents considered for the purpose of this study. Frequency distribution profiles of respondents showed that 52.5% percent of the respondents were male while 47.5% of the remaining respondents were female. The majority of the respondents (84%) fall in the age group between 18-29 years. A majority of respondents (76%) were single and 69% of the respondents had no income, but received pocket money. A maximum of 64% of the respondents were pursuing their graduation degrees 17.5% post graduation degrees and only 11% were pursuing professional degrees.

### • Results

Consumer expectations and perception towards online shopping were examined in terms of perceived risk, perceived usefulness, perceived enjoyment and perceived ease of use. Factor analysis using SPSS for windows was conducted in order to identify the factors that affect the online shopping behavior of consumers. Factors were identified using the Eigen value criteria that suggests extracting factors with an Eigen value of greater than 1.0 Principal Component Analysis and Varimax

## **CONCLUSION**

Consumer behaviour in e-commerce is a reflection of different factors that integrate to influence the consumer's decision making. In addition to culture, social norms, psychological factors and demographic factors, other factors such as product characteristics, consumer skills, firm capabilities, marketing communications, brand, and website features all work together to influence consumer's purchasing attitudes.

Notably, the consumer's desire to purchase products that offer him/her quality service, or meets some of his/her other needs also affect purchasing behaviour. This then raises the need for detailed information regarding the product or service.

Usually, it is the prerogative of the online retailer to provide the information about the specific product to online shoppers. If the shopper feels that not enough information has been provided by the retailer, then he or she is most likely to navigate to other ecommerce sites where more satisfactory information is offered.

Other considerations that the retailers need to make in order to impact positively on consumer behaviour include ease of information access and transactions. The retailers also need to guarantee payment security and publish well articulated product purchase policies. Some of other factors that affect consumer behaviour in e-commerce include the status of the online shopper and their esteem towards specific products.

Ethics is also increasingly affecting consumer behaviour especially at a time when being environment friendly is being touted as the only way to save earth from self-destruction. The amount of fun associated with a product is however a key consideration to consumer behaviour, just as is the case with aesthetics. This means that the product may not be high quality, but its desirable package may make more consumers attracted to it.

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