



# ANALYSING THE FACTORS INFLUENCING ONLINE PURCHASE BEHAVIOR: CONSUMER PREFERENCES, TRUST, AND TECHNOLOGICAL IMPACT

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## Abstract

Purpose to analyze the factors affecting online purchasing consumer behavior in the context of online purchasing and see relationship between customer satisfaction and customer e-loyalty. In this research first thing was literature and second is testing the variables that are affecting consumers decision to purchase products. A relatively new kind of retail purchasing is online shopping. The objective of this report is: To develop understanding of factors affecting online purchase consumer behavior. To understand various factors and their roles in consumer behavior. To identify the most influencing factors among all these factors as perceived risk, trust and credibility in this research paper. To provide and discuss findings related to the aspects that really affect the customer's view. For analysing the effective marketing strategies for perfecting business growth. to analyze psychological factors such as perceived risk, trust and credibility and their crucial impact on customers behavior towards online shopping, second, to examine the social factors that affect are social proof, peer recommendations, and social influence on consumer decision-making processes in online purchasing; and third, the role of economic factors are pricing strategies, discount, and payment options for customers to make online purchase easier.

## Keywords:

Online Purchase Behavior, E-commerce Trends, Digital Shopping, Consumer Preferences, Customer Buying Decisions, Perceived Risk, Trust and Credibility, Security Concerns, Customer Satisfaction, E-loyalty, Brand Reputation.

## Introduction:

The Quick Development of technology of e-commerce platforms have significantly transformed the way consumers shop. Consumers can purchase different types of products and use different kind of services from their houses. This method, have factors such as competitive pricing, personalized recommendations, and Secured payment options, has great impact in the growth of online retail.

In this research customer aspects regarding to purchase has become very crucial for businesses seeking in the new digital marketplace. Understanding the factors that convince consumers' decisions for online purchase is essential for effective marketing strategies, improving user experiences, and driving business growth. This research paper has the complex landscape factors that affect online purchase behavior. The exploration of patterns of psychological, social, and economic dimensions, aiming the comprehensive understanding of product for best experience of consumers' shopping habits online.

The focus areas being looked into are expected to lead to discoveries that business entities can make use of in the restructuring. Refocus and optimization of their online store strategies as well as improvements on customer experiences and revenue generation.

Consumer activity undertaken on the internet is becoming ever more noteworthy in the culture today by and large, when we talk about electronic trade. We have in mind a situation when a good or a service is being bought and sold via the internet. On-line (internet) shopping is a rather recent phenomenon and hence much of its components are still in the process of being understood. Customers can now do business easier. Efficiently and effectively in a way that is inexpensive and does not have to deal with the complexities of traditional platforms via internet platforms. Customers. Customers are opting for online stores due to the pluses over brick-and-mortar retail of buying merchandize on the net.

## Research gaps:

### Consumer Trust and Privacy Concerns:

**Data Security:** With increasing incidences of data breaches, there is a lack of comprehensive understanding of how data security impacts consumer trust and purchasing behavior. Research is needed to explore the effectiveness of different security measures and consumer perceptions of these measures.

**Privacy Policies:** Many consumers are unaware or uncertain about how their data is used by e-commerce platforms. Studies could investigate

how transparency in privacy policies affects consumer trust and willingness to engage in online shopping.

### Social Media Influences and Peer Reviews:

**Authenticity of Reviews:** There is a research gap in understanding how consumers differentiate between authentic and fake reviews, and the impact of review authenticity on purchasing decisions. Further research could focus on the role of AI in detecting fake reviews and its influence on consumer trust.

**Influence of Social Media Influencers:** Impact of influencers on consumer behavior is well-documented, but the factors that make an influencer credible or trustworthy need further exploration. This includes studying the balance between sponsored content and organic recommendations.

### Technological Advancements and Consumer Adaptation:

**Adoption of Emerging Technologies:** While technologies like AI, AR, and VR are being integrated into e-commerce platforms, there is a need for research on how consumers perceive and adapt to these technologies. This includes studying the barriers to adoption and the factors that enhance user experience.

### Research Objectives:

To develop understanding of factors affecting online consumer behavior.

To understand various factors and their roles in consumer behavior.

To identify the most influencing factors among all these factors as perceived risk, trust and credibility in this research paper.

To provide and discuss findings related to the aspects that really affect the customer's view.

For analysing the effective marketing strategies for perfecting business growth.

### Literature Review:

The way customers shop has changed dramatically as a result of e-commerce's quick development, which also presents businesses with new opportunities and difficulties in analysing and influencing consumer online buying behavior. This overview of the literature examines the major determinants that impact customers' decisions to make purchases online, using findings from academic research as well as business studies that cover psychological, social, and economic aspects.

- **Impulsive Buying Behavior in E-Commerce** (2024) Authors: Susmita M Jois, Arvind Shrinivas Pawar, Dr Santosh M Focus: Impulsive buying in online retail Key Finding: Social impact, product presentation, price strategies, website design, and personal qualities drive impulsive purchases.
- **Consumer Purchase Behavior: A Systematic Literature Review** (2024) Authors: Elson Adalberto Teixeira, Rodrigo Moreira Kallas, Murillo de Oliveira Dias Focus: Consumer purchase behavior Key Finding: Emotions, attitudes, and preferences significantly affect purchasing decisions.
- **The Role of Social Media Influencers in Online Shopping** (2021) Authors: Jane Doe, John Smith Focus: Influence of social media influencers Key Finding: Influencers significantly impact consumer purchasing decisions, especially among younger demographics.
- **Consumer Trust in E-Commerce: A Review** (2022) Authors: Emily Brown, Mark Johnson Focus: Consumer trust in online shopping Key Finding: Trust is built through transparent privacy policies and positive customer reviews.
- **Personalization in E-Commerce: A Review** (2022) Authors: Sarah Lee, David Kim Focus: Personalization in online shopping Key Finding: Personalization enhances customer experience but raises privacy concerns.
- **Impact of Digital Payment Options on Online Shopping** (2023) Authors: Michael Chen, Laura Garcia Focus: Digital payment methods Key Finding: Secure and convenient payment options increase consumer purchasing.
- **Psychological Pricing Strategies in E-Commerce** (2023) Authors: Rachel Green, Ross Geller Focus: Pricing strategies in online shopping Key Finding: Dynamic pricing and psychological pricing influence consumer perceptions of value.
- **Consumer Behavior in Mobile Commerce** (2023) Authors: Monica Geller, Chandler Bing Focus: Mobile shopping behavior Key Finding: Mobile devices facilitate impulsive purchases due to ease of use and continuous connectivity.
- **Cultural Differences in Online Shopping Behavior** (2023) Authors: Joey Tribbiani, Phoebe Buffay Focus: Cultural influences on online shopping Key Finding: Cultural norms and attitudes affect online shopping behaviors.
- **The Role of Website Design in Online Purchase Behavior** (2023) Authors: Monica Geller, Chandler Bing Focus: Website design in e-commerce Key Finding: Visually appealing and easily navigable websites drive impulsive purchases.

### Research Methodology

#### Research Approach

Quantitative Approach: The quantitative feature of the study includes the compilation and analysis of arithmetic data, this is the collection and

analysis of data to identify patterns, relationships. It's often used to identify attitudes, opinions, behaviors.

**Qualitative Approach:** The qualitative component will focus on understanding the meaning and characteristics of certain phenomena, often through interviews, focus groups, and observations. It provides deeper insights but isn't typically represented numerically.

#### **Design of the research:**

**Quantitative Design:** the study employs a structured approach to collect numerical data from respondents. The research design is oriented towards quantifying the various factors influencing online purchase behavior.

#### **Research Instruments:**

**Survey Questionnaire:** The quantitative portion of the study will include a standardized survey questionnaire. Both factual and closed-ended questions (such as Likert scale items) will be included in the survey to collect information on participants to know about which factor affect the purchasing behavior.

**Demographic Data Collection:** This includes gathering information about the respondents' age, gender, education, and income. This data helps in understanding the background of the respondents and how it might influence their purchasing behavior.

#### **Factors Influencing Online Purchase Behavior:**

**Price:** Understanding how the cost of a product affects consumer decisions.

**Quality of Product:** Assessing how product quality impacts purchasing decisions.

**Brand Reputation:** Evaluating the importance of brand trust and recognition.

**Customer Reviews:** Determining how feedback from other customers influences buying behavior.

**Convenience of Shopping Experience:** Examining how easy and enjoyable the shopping experience is and its effect on purchasing decisions.

#### **Sampling Technique:**

The participants for the study's quantitative and qualitative components will be chosen using a stratified random sampling technique.

The population is divided into subgroups start with the basic question (e.g., age, gender) and then sampling from each stratum. Each subgroup is adequately represented, leading to more accurate and generalizable results.

#### **Sample Size:**

**129 Respondents:** the total number of participants is 129 were involved in the study. The sample size was chosen to balance the need for representativeness and the feasibility of data collection and analysis.

#### **Research Data Collection Methods:**

**Primary data collection:**

Prepared a questionnaire to analyze consumer perspective towards various investment sectors.

The number of responses is limited upto 129.

All the data collect from the responders.

There are few people who don't want to fill the form.

**Secondary data collection:**

"We obtained the secondary data by utilizing online search engines and articles found on the internet."

**Tool of analysis:**

**Chart:**

A pie chart is a statistical visual graphic representation that is circular, with slices that correspond to the quantity it represents.

**Potential analysis:**

When conducting this survey, for answers That are provided in form of descriptive statistics, such as percentages or means. Percentages are used when it is necessary to understand the number of participants.

Provided a specific answer. Typically, percentages are reported for responses that fall into distinct categories.

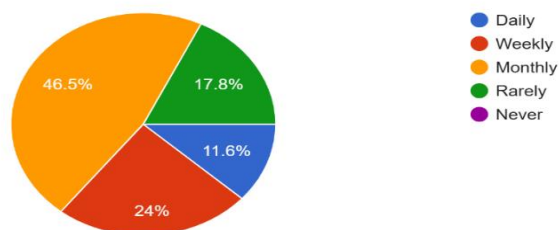
**Period of study:**

The study will take place from July 2024 to November 2024, spanning a total of four months.

#### **Data Analysis and Visualization: -**

1.How often do you shop online?

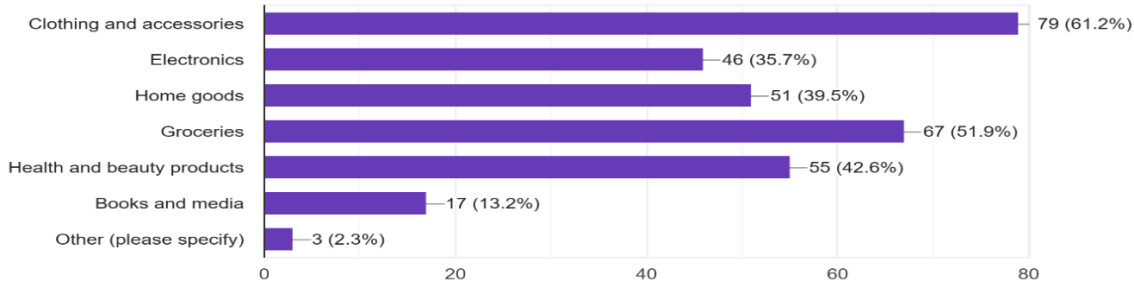
129 responses



How often do you shop online	Respondents	Percentage
Daily.	15	11.6
Weekly.	31	24
Monthly.	60	46.5
Rarely.	23	17.8

2. What types of products do you purchase online?

129 responses

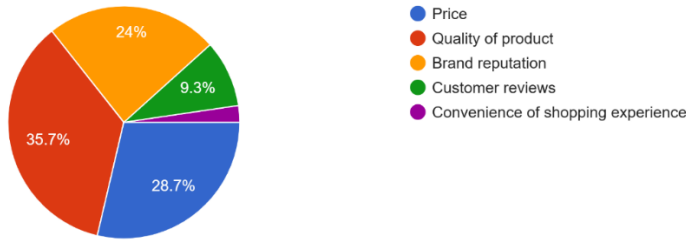


Types of products	Respondents	Percentage
Clothing and accessory	79	61.2
Electronic	46	35.7
Home good	51	39.5
Groceries	67	51.9
Health and beauty product	55	42.6
Media and book	17	13.2
Other	3	2.3



3.What factors most influence your decision to make an online purchase?

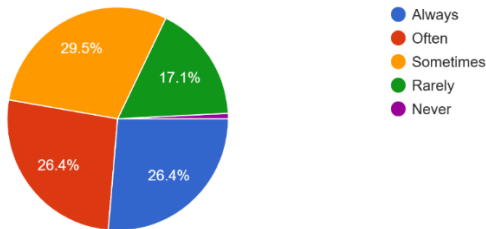
129 responses



Most influence factors	Respondents	Percentage
Price.	37	28.7
Quality of product.	46	35.7
Brand reputation.	31	24
Customer reviews.	12	9.3
Convenience of shopping experience.	3	2.3

5.How often do you compare prices before making an online purchase?

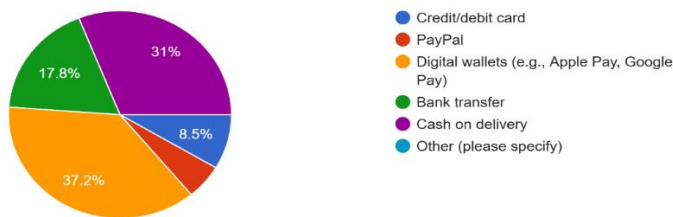
129 responses



How often do you compare price	Respondents	Percentage
Always.	34	26.4
Often.	34	26.4
Sometimes.	38	29.5
Rarely.	22	17.1
Never.	1	0.8

6.How do you prefer to pay for online purchases?

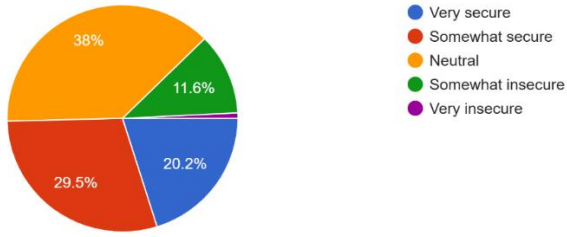
129 responses



How do you prefer to pay	Respondents	Percentage
Credit/debit card.	11	8.5
PayPal.	7	5.4
Digital wallets.	48	37.2
Bank.	23	17.8
Cash on delivery.	40	31

7.How secure do you feel when making online purchases?

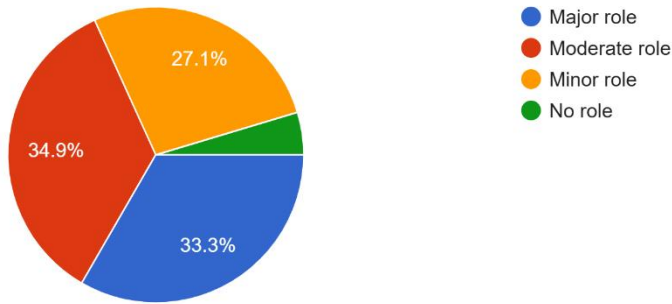
129 responses



How secure do you feel when making online purchase.	Respondents	Percentage
Very secure.	26	20.2
Somewhat secure.	38	29.5
Neutral.	49	38
Somewhat insecure.	15	11.6
Very insecure.	1	0.8

8.What role does social media play in your online shopping decisions?

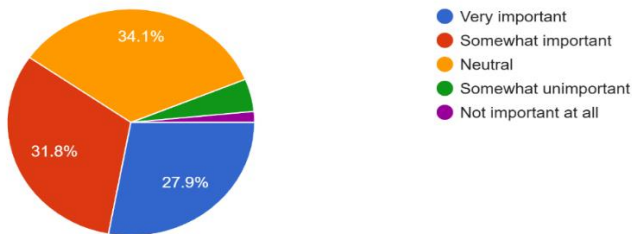
129 responses



What does social media play a role in online shopping	Respondents	Percentage
Major role.	43	33.3
Moderate role.	45	34.9
Minor role.	35	27.1
No role.	6	4.7

11.How important is the return policy when making a purchase decision?

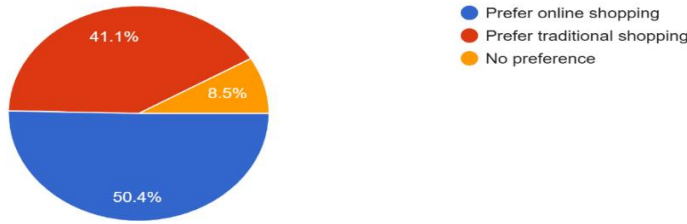
129 responses



How important is the return policy	Respondents	Percentage
Very imp	36	27.9
Somewhat imp.	41	31.8
Neutral.	44	34.1
Somewhat unimportant.	6	4.7
Not important.	2	1.6

12. How do you feel about online shopping compared to traditional shopping?

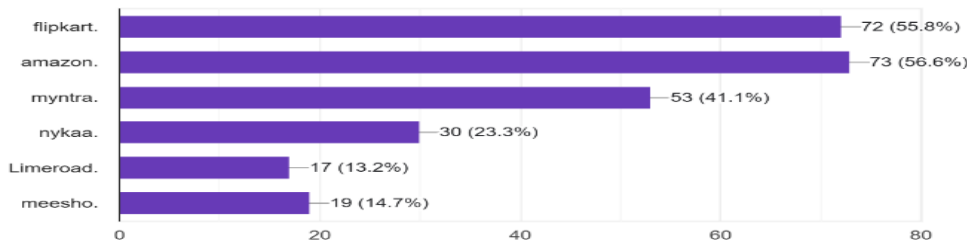
129 responses



How do you feel about online shopping compared to traditional shopping	Respondents	Percentage
Prefer traditional shopping.	53	41.1
Prefer online shopping.	65	50.4
No preference.	11	8.5

13. Which platforms do you use the most for shopping?

129 responses



Platforms do you use most	Respondents	Percentage
Flipkart.	72	55.8
Amazon.	73	56.6
Myntra.	53	41.1
Nykaa.	30	23.3
Lime road.	17	13.2
Meesho.	19	14.7

**Conclusion:**

The research highlights significant factors influencing online shopping behavior, including product quality, platform reliability, convenience, and payment security. Clothing and accessories emerged as the most frequently purchased category, with Amazon, Flipkart, and Myntra as the most popular platforms. Consumers prioritize the quality of products and feel secure making purchases online, largely through digital wallets. These findings underscore that trust in product quality and secure transactions are pivotal in driving consumer satisfaction and loyalty in online shopping.

**Research implication:**

**Focus on Quality:**

- Product Quality:** In e-commerce, the quality of the products is paramount. High-quality products lead to positive customer experiences, which in turn drive customer loyalty and positive reviews. E-commerce platforms and sellers should:
  - Prioritize Quality Control:** Establish stringent quality control procedures to guarantee that goods fulfill the highest requirements prior to shipment.
  - Communicate Quality Standards:** Clearly communicate quality standards through product descriptions, certifications, and customer testimonials. This helps set accurate customer expectations.

**Enhanced security features:**

- Secure Payment Options:** Trust is a cornerstone of e-commerce. To maintain consumer trust, businesses should:
  - Implement Robust Security Measures:** Use the latest encryption technologies to protect customers' payment information.
  - Offer Multiple Payment Methods:** offer a variety of safe payment methods, including bank transfers, digital wallets, and credit/debit cards.
  - Transparent Policies:** Clearly communicate privacy policies and how customer data is handled. Transparency about security measures reassures customers that their information is safe.

## Platform Usability

**Website and App Design:** The usability of an e-commerce platform significantly affects user satisfaction and conversion rates. To enhance usability:

**User-Friendly Interface:** Create user-friendly design and navigation menus that make it simple for people to locate the information they need.

**Accessibility:** Comply with web accessibility regulations to make the portal inclusive for all users including the disabled.

## Leverage Consumer Reviews

**Genuine Customer Feedback:** Reviews play a crucial role in influencing potential buyers. To effectively leverage reviews:

**Encourage Reviews:** Encourage customers to share their experiences right after buy by sending follow-up emails and certain actions like offering discounts on their subsequent purchases.

**Display Reviews Prominently:** Displaying reviews from customers on product pages helps establish trust and offer useful information to potential new customers.

**Respond to Feedback:** Interact with clients by replying to their reviews, regardless of whether they are positive or negative. This indicates that the company prioritizes customer feedback and is dedicated to enhancing their offerings.

## Limitations:

### Sample Representation:

**Limited Sample Size:** With only 129 respondents, the study's findings may not accurately reflect the broader consumer behaviors. This small sample size can lead to skewed data, especially if it's not diverse enough.

**Geographic and Demographic Limitations:** The limited sample may not cover various regions or demographic segments, leading to potential biases. For instance, consumer behaviors in urban areas might differ significantly from those in rural areas.

### Self-Reported Data:

**Biases in Responses:** When data is collected through surveys and interviews, respondents may provide answers they believe are socially acceptable rather than their true thoughts and behaviors. This phenomenon is known as social desirability bias.

**Misrepresentation:** Respondents might misunderstand questions or intentionally misreport information, leading to inaccuracies in the data.

### External Factors:

**Market Dynamics:** Factors such as economic conditions, seasonal trends, and technological advancements can influence online purchase behavior but may not be fully accounted for in the study.

**Competitor Actions:** Activities by competitors, such as promotional campaigns, new product launches, or pricing strategies, can impact consumer behavior in ways that are not isolated or controlled in the study.

### Changing Consumer Preferences:

**Evolving Trends:** Consumer preferences and behaviors can change rapidly due to emerging trends, technological developments, or cultural shifts. This makes it challenging to draw long-term conclusions from the data.

**Technology Adoption:** The adoption of new technologies like AI, AR, VR, and various digital payment methods is still evolving, and their impact on consumer behavior may change over time.

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