

# A STUDY ON IMPACT OF CONSUMER PSYCHOLOGY IN ECOMMERCE

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**Abstract:** Long gone are the days of procuring items from highly sophisticated retail outlets as with the Development of e-commerce, consumers have found it really comfortable to buy their Requirements both large and small, online. Electronic commerce, affectionately known as the e-commerce, is the trading of goods in a stimulated online world. The virtual world of e-commerce helps in providing an ease of access that did not exist a few years ago. E-commerce had grown up on a global scale crossing all expectation of the trading society.

Major aim of this growth is the ultimate satisfaction of the consumer groups who are to be targeted. This paper discusses about the changes in consumer behaviour due to the lately trending of e-commerce. The brief review is mainly dependent upon customer psychology. As said in the commerce background, customer is the king of the market. So the psychological factors affecting consumers are of great significance and value to the sellers. Mainly identified factors that reflected from our study can be generalized as perception, motivation, learning, attitude, beliefs and so on. A market oriented marketer must take into consideration these psychological factors while undertaking the strategic marketing Decisions to enhance their own growth.

**Keywords:** E-Commerce, consumer loyalty, e-retailers, consumer behaviour, commerce.

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## 1. INTRODUCTION

E-Commerce is the process of buying and selling by electronic means such as internet, mobile application etc. It is the latest trend in today's world. It brought the global market on the tip of our finger. There is nothing that cannot be sold online. Its rapid growth is due to a combination of convenience and status symbol among the consumers. Consumer psychology involves the study of what makes the consumer buy a particular product or service. Consumer psychology in e-commerce plays a pivotal role in its functioning, growth, expansion and so on. It is very much vast since the consumer behaviour is of extreme versatility. Consumer psychology stems out the never ending wants of consumers when attracting offers are provided. Each and every action of the consumer maybe termed as a part of consumer psychology and has a ultimate impact on the ecommerce.

### STATEMENT OF THE PROBLEM

The consumer psychology has a hard core impact on ecommerce which is often arduous to interpret. There are plenty of factors that affect the consumer loyalty and their continuous participation. Another striking issue that consumer psychology in e-commerce develop is their fast changing attitude towards ecommerce as well as conventional commerce, and further the disappearance of retail market in future is still an unanswered question globally.

### OBJECTIVES

- To explain the changing phase of consumer loyalty among diverse consumers due to increase in wealth and profuse changes.
- To gloss on the factors that affect the consumer psychology
- To explain the chances of conventional retail market to be overtaken by the sensational trend of e-commerce.

## 2. METHODOLOGY

The research methodology opted to gain the effective materials to analysis the above objectives is the primary research methodology and Secondary research methodology. The first mode with the help of questionnaire helps to extract maximum data from the consumers which is reliable and is of pure personal experience. It is an unbiased mode as it is directly intimated and the latter enables to study and draft a better picture on the research topic on the basis of previously studied articles.

## LIMITATIONS

- Preparing questionnaire have resulted in various types of responses which Resulted in difficulty to reach a conclusion.
- The accuracy of few secondary data was doubtful, which led an issue on what to rely upon.

## 3. LITERATURE REVIEW

By looking upon articles, presentation, documents etc. we came to realization That consumer psychology is not simple as we regarded. It is a sophisticated and Complex area which shows the beliefs, perception, attitude, thoughts of the Consumers which highly influences the buying decision in the market. All the Factors that we could identify drives the consumer's action to seek maximum Satisfaction. The most important ones are briefed here:

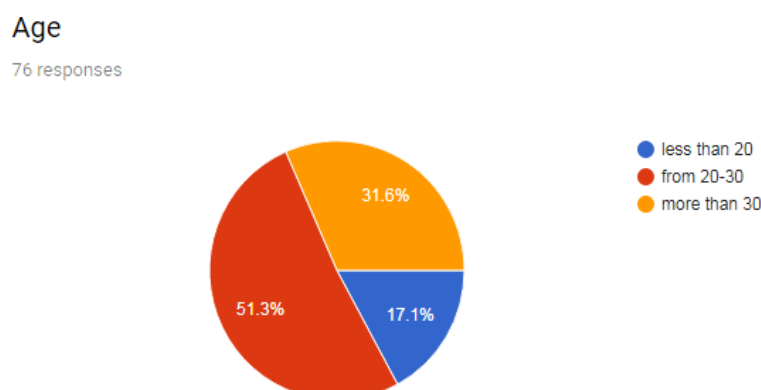
- **Attitudes and Beliefs:** All consumers present in the market have their own made up attitudes and beliefs on their buying decision rests upon. To a great extent, these beliefs play major role in creating a brand image in the market. Thus, all the sellers closely valuate all the beliefs and attitude to make a better marketing decision.
- **Perception:** A consumer's perception helps them to select and interpret meaningful conclusion to buy a product. Online marketers provide all varieties of goods so as to make sure that all kinds of perception have been given due attention.
- **Economic condition:** A major factor that influences consumer psychology is their economic condition. They should have the ability to afford the services provided through e-commerce. This factor have been greatly identified by the online marketers. E- commerce tries their maximum to provide goods and services at all range of costs. This price consideration gives an added advantage to e-commerce over the retail

Marketers. When customer gets to choose goods within their income, their psychological satisfaction enhances.

- **Motivation:** According to the Maslow's need hierarchy theory, it is said that basic, security, social, esteem and self-actualisation needs influences a human decision. Accordingly level of motivation highly influences the consumer behaviour in choosing their requirements. These needs should motivate the consumers in order to choose the goods and services required and gain ultimate satisfaction in the long run.
- Thus, these are some out of numerous psychological factors that marketers must take into consideration while providing their services online through the virtual world.

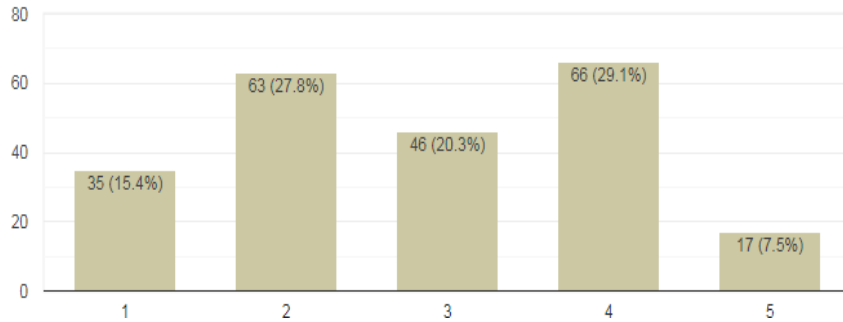
## 4. DATA ANALYSIS

This allows to interpret various interest realms of the consumers.



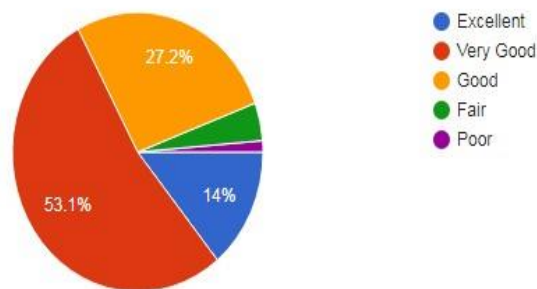
Age has a pivotal role in analysing the consumer psychology. Not all consumers are of same age, and therefore the different age groups show different attitude to the concept of ecommerce. Youth and adults are the main contrasting age groups.

On a scale of 1-5 , how would you rate your level of overall satisfaction with the e-retailer ?



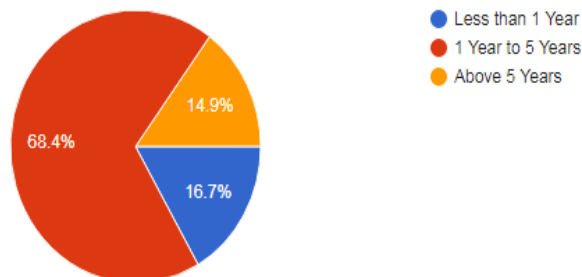
Majority of the consumers are dissatisfied while opting e- retailers. Whereas a good number of consumers earn satisfaction from e-retailers.

How likely are you to purchase products/services from the e-retailer in the near future? would u say the chances are...



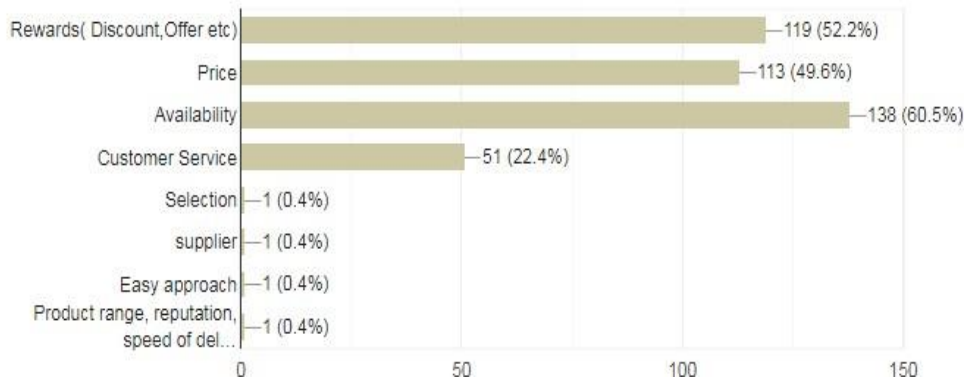
137 of 309 has a very good chance of purchasing from the e-retailers, on comprising the excellent and very good category are huge some of consumers are likely to shop online. It is also noticeable that the category opted for poor is very less and it has an insignificant effect on the overall trending of the ecommerce.

How long have you been a customer of this particular e-retailer



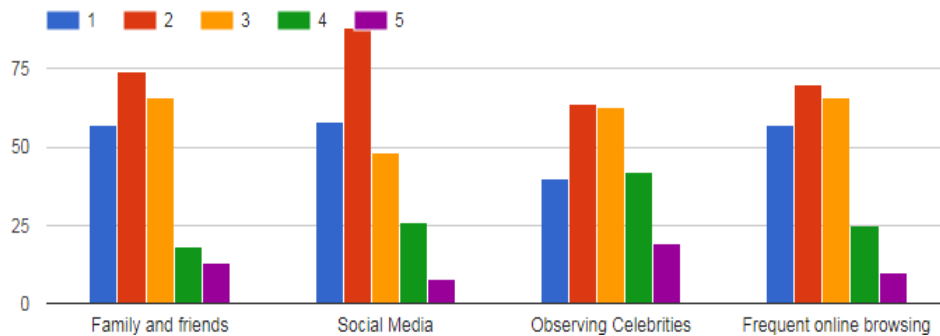
Majority of the consumers have been using the same site from 1 year to 5 years .

Which are the factors that make you switch between e-retailers ?



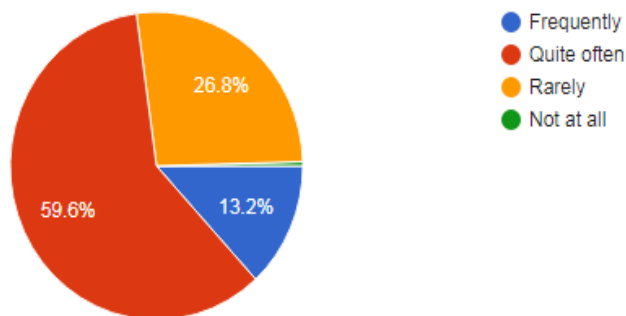
The main key factor that influences the consumers are the availability of the product.

Rate on the scale of 5 ,how likely are you influenced by the following factors to follow trends (1-Highly influenced, 5-Least influenced)



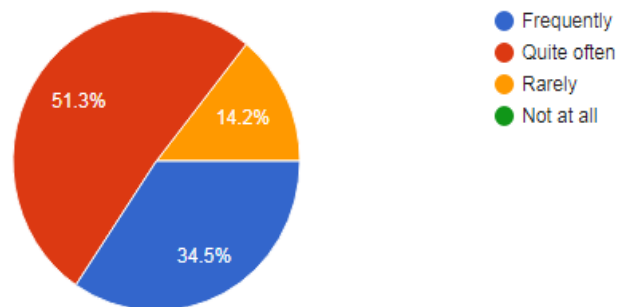
Consumers are well versed affected by all the four factors.

How likely do you shop online ?



A huge number of people takes active part in online shopping and surprisingly the not at all category has minimum category.

### How likely do you shop from a store ?



A lot consumers shop from stores quite often, and it is also seen that all the consumers shop from the stores even if they are a regular online shopper.

### 5. FINDINGS

- From the above conducted survey, it is seen that a lot of consumers gain overall satisfaction out of ecommerce. However we cannot completely stick on to the comment that all gain the same satisfaction.

- From studying the questionnaire, it is seen that a good number of consumers enjoy the pleasure of traditional mode of shopping where the quality is visually proven, moreover the advantage of touch and feel is also considered and is dissatisfied after opting e-commerce.

However there is an indirect societal pressure on the consumers to switch to e-commerce, which may be in the form of a yearn to copy the living pattern of a celebrity by observing Their likes and dislikes towards commerce or in the form of a status symbol showcasing modern lifestyle.

- These societal pressures and other factors When it comes to groceries and electronic items people tend to rely on conventional mode of commerce as they are a vital part of daily life, from this the complete credibility that the e-commerce has on the consumer is questioned, but when it comes to other products consumers do rely on e-commerce due to major a factor – “availability”.

- Other major factors are financial condition of the consumer, price and most importantly the rewards and offers. However, from the above conducted survey it is brought to light that even if not in a stable financial condition, the consumers fall for the reduction in prices of the product. Thus the focal point of any e-retailer is to exploit the consumers on the basis of this cardinal factor i.e. price of a product. However All the minute parts of ecommerce do play a vital role, starting from web design to delivery! From this the versatile consumer behaviour is exposed.

- The predominant consumer behaviour prevailing in the consumer is their loyalty towards a particular brand. Majority of the crowd has been sticking on to the same company or brand for 1 to 5 years , however

- A huge batch of consumers switch to other sites quite often on the basis of price, availability and reward.

- An avoidable sum of consumers are ready to switch their sites if the upcoming sites provide better offers.

### 6. SUGGESTIONS

- The major factors affecting e-commerce are availability, price and so on. In order to hold the customers it is necessary to exploit these key factors so that the companies can gain maximum market share.

- The consumer loyalty is dying day by day due to the profusion of choices available in the market, thus they have a tendency to switch their e-retailers on the basis of different factors. From this study, we derive a suggestion that the e-retailers has to be vigilant due to the upcoming phase of fragile consumer loyalty and they make sure that they conduct loyalty programmes and rewards to the loyal consumer, so that the vital grip on consumers gets tighter day by day.

## 7. CONCLUSION

From the research so conducted, we can conclude that

- The consumer loyalty is a hard game for the e-retailers. The upcoming generation is likely to switch to another e-retailers on the basis of the services and bonuses they receive. This is due to the profuse choices available in the market and increase in the gaining mentality of the consumers
- The major factors that seize the consumers are the availability of the products, the convenience and the prices along with their offers. These major factors bring a consumer psychological benefit to the e-retailers. However all the factors play an important role as the consumer are versatile and it is impossible to conclude into a single factor.
- From the above analysis, it is understood that the retailers do have a strong base in the market due to the visual assurance on the product and other factors, but there are situations where their market hold is slowly reducing. It is not possible to state that ecommerce can swipe of retailers due to some special advantages such as touch and feel the product, bargaining and an intense fondness towards shopping from stores.

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