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"INFLUENCE OF SOCIO DEMOGRAPHICS IN ONLINE PURCHASES IN BENGALURU CITY IN INDIA"

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ABSTRACT

This research paper is intended to examine the socio demographic factors such as gender, age, house hold income, marital status and education influence on the purchase intention of online purchasers at Bengaluru city, India. The investigation used a survey by questionnaire approach to collect the responses from a sample of 385 online purchasers in the capital city Bengaluru of Karnataka state, India. Using convenience sampling the responses were collected from the near and dears. Anova and 't' tests were used for the purpose of testing the hypothesis. The findings show that consumers' online purchasing intentions vary significantly across groups of different gender, age, education and household income.

Keywords: Purchase intention, Age, Gender, Marital Status, Education and household Income.

1. INTRODUCTION

The way people live have changed as a result of the internet, and many individuals now conduct most of their purchasing online. Thanks to easy access to smartphones and internet connectivity, Indian consumers have embraced the virtual marketplace to purchase goods across all categories. The internet has given rise to a new retail and consumer movement, which is conducted online. Consumers can buy anything from groceries to gold jewelry on the virtual marketplace, which offers a vast variety of goods. Online shopping is preferred by customers in all levels of metros and communities. India's online retail market was projected to be worth over 60 billion US dollars in 2020. It has been rising since 2015. A Statista report (2022) projects that the value of the online retail industry will reach $73 billion. The expansion of the e-commerce industry is what is responsible for the rapid growth of online retail in India. Online transactions are constantly growing as a result of the Internet's transformation into a

new distribution channel. No longer are customers bound by set business hours or locations. As a result, he or she can start acting at almost any moment and from anywhere and purchase the goods or services. The Internet is regarded as a mass medium with features for online shopping that are unmatched by any other outlet. It has some advantages over traditional shopping, like the flexibility to browse and buy items whenever you want, picture needs with products, and interact with other customers about products. Online shopping offers complete product information, including features, product descriptions, sizes, models, colors, pricing, and many other details, as well as customer reviews and ratings, which is one of its biggest benefits. People's attitudes concerning the security of online buying are one of the biggest obstacles to it. This suggests that consumers are still afraid to buy anything online. The removal of the "touch and feel" element is the main drawback of internet shopping. The cost of the transaction is just as important as the price of the products or commodity. Major barriers for online shoppers include a lack of technological awareness, concerns about the information's integrity, psychological limits on individuals, and holes in the distribution system. Companies are rapidly expanding into the outlet as they realize that online buying has become necessary. They are also confident about the potential of multi-channel online retailing as a substitute for the conventional, brick-and-mortar model for online shopping. There are more online purchasers in the city side than in the remote villages in India. The online purchasers in the cities are educated and tech-savvy. Bengaluru is a remarkable city in India branded as the 'Silicon Valley of India' with a metropolitan population of around 11 million (GoK,2022). Investigating the profile of the customers and how it influences their decisions in online purchases will help the stakeholders and other retailers to strategies themselves. This has prompted research to investigate what variables highly influence online purchases in the cities with a focus on socio-demographic variables.

2. OBJECTIVES OF THE STUDY:

1) To study the profile of the online purchasers in the cities
2) To investigate the influence of socio demographic factors on online purchase.
3) To provide the suggestion for the stake holders based on the findings of the study

3. HYPOTHESES:

- H1: Gender is significant in online purchase intention.
- H2: Marital status is significant online purchase intention.
- H3: Age is significant in online purchase intention.
- H4: Education is significant in online purchase intention.
- H5: Household Income is significant in online purchase intention.

4. REVIEW OF LITERATURE:

The influence of demographic variables on purchases and decisions have been studied over many years. Purchase decisions are influenced mainly by the characteristics of the consumers. For instance, knowledge level of consumers is the predicting factor of purchase decisions (Senthilkumar, K, 2018). Lavin Mariyn (2006) confirmed the role of knowledge in promoting online buying's. The customers are of different categories. When

focusing on online shopping one cannot avoid the influence of demographic variables on these online purchases. Youngsters and men are highly attracted towards online purchase (Smith and Rupp, 2003). The frequency of purchase by them is also higher than the others (Kargaonkar, Wolin (1999). Older people could not connect with internet there by hesitant to online purchase ((Smith and Rupp, 2003). Researchers Haque et al. (2007) and Hasan (2010) discovered that gender significantly affects customers' online shopping habits. However, they are against to the common consensus, that men have a greater tendency than women to make online purchases (e.g., Brown, S.A. and Venkatesh, V. 2005; Susskind, 2004). Contrary to the widespread belief that men have a greater inclined to make online purchases, as demonstrated by prior studies, Goldsmith and Flynn (2005) found that female consumers prefer to buy clothing online. Allred, Smith and Swinyard (2006) have added that online shoppers are wealthier, more educated, more computer literate, and spend more money at stores. Easy access of information boosts the purchases today. Lohse and Spiller (2000) found that online purchasing is a result of easy access to more information, which improves consumer decision-making and expands market penetration for retailers. Senthilkumar, K (2014) also found there is a relationship between knowledge level, social capital and in turn its boosts the online purchases. Individual traits play a critical role in obtaining information (Lohse and Spiller, 2000) and purchase pattern in online purchases. The persons those who use the internet regularly and/or who are time-starved prefer online purchases. Hence lifestyle is also a predominant factor in deciding the kind of purchase whether it is online or other modes of purchase (Ahmad, N., Omar, A., & Ramayah, T., 2010).

The majority of online users live wired lifestyles and are accessing the web for decades, rather than a few months (Bellman, S., Lohse, G. L., & Johnson, E. J. ,1999). Online purchasers inclined towards online purchase due to the socio-psychological benefits they get. They are hunting for varieties, fashion and status recognition (Agrawal, D.K., 2023). Both Kim and Kim (2004) and Koyuncu and Lien (2003) report in their research that customers with more education are probable to regularly make buys through internet. Additionally, Burroughs and Sabherwal (2001) stated that the use and acceptability of online buying are influenced by education. However, Mahmood et al., 2004) are contrary to this. They argued education is not significant among online purchasers.

Ankur Kumar Rastogi (2010): identified the influence socio economic variables on online purchase behavior among the customers. Online shopping depends on household income too. Lohse and Spiller (2000) and Monsuwe, Dellaert and Ruyter. (2004) have examined the relationship between house hold income and online shopping and found it as positive. The website characteristics, interfacing also have its' significance in online purchases. Ann E. Schlosser, Tiffany Barnett White, & Susan M. Lloyd (2006) affirmed the role of website characteristics. They argued that the investments in webpage design will increase the trust among the customers thereby increases the online purchases. Hsiu-Fen, L. (2007). investigated and affirmed that interfacing, website design, informative content responsiveness, trust, and empathy are as central factors among online purchasers. These factors also lead to customer satisfaction. J-Small and Aryasri, A.R (2009) convenience, web store environment, online shopping delight, and customer service are all influential factors in on line purchase.

Trust is an inevitable factor in online purchases which is confirmed by Terry Nolan et al (2007) and J-Small and Aryasri, A.R (2009). There are hindrance and adverse factors also in online purchases. The customers avoid online purchase due to the issues such as security, privacy and lack of knowledge.

According to Caudill et al. (2000), the Internet's phenomenal growth had given birth to a number of brand-new concerns regarding protecting customer privacy. It looked at both historical and theoretical privacy studies as well as domestic and international legislation and self-regulatory approaches to tackling privacy concerns on the Internet. Basho Kalinda (2000) argued that a new threat to privacy in the electronic marketplace is being created by the increased usage of people's personal information. It leads to marketing calls without the individuals' interest. According to. Changi Nam et al (2006) privacy is a major concern in online purchases. Krishnamurthy Sandeep (2000) remarked harmful effects of spams on the key stakeholder groups, including consumers, Internet service providers, legitimate advertisers, e-commerce companies, and employers, Christy M. K. Cheung, Lei Zhu, Timothy Kwong, Gloria W.W. Chan, Moez Limayem, (2002) did a study that looked at how different contexts over the years have studied the subject of online consumer behavior and found that there is no overarching theoretical framework. This study has focused to investigate the influence of demographic variables in online purchase behaviors among the Bengaluru city customers. The influence of demographic variables on purchases have been studied by many scholars whereas its influence on online purchase has not been explored well still. Hence this study has attempted to explore the same.

5. METHODOLOGY:

The selection of the research type depends on the objectives. The framed objectives led the researcher to select descriptive research design for this study and hence the study has adapted descriptive research design. With a continuous care and concentration, the questionnaire has been designed to measure the demographic profile and purchase intention among the online purchasers in Bengaluru city. The questionnaire has been divided into two segments such as demographic profile and purchase intention. The content validity of the questionnaire is confirmed by the experts in the field. This is to confirm the content validity of the questionnaires. Small corrections were carried up on the directions of the expert academicians. The instrument has been designed using ordinal scale, Likert scale and dichotomous scale to measure the variables under study. The universe is the online purchasers at Bengaluru City. Since the population is very wide, it is decided to conduct samplings to arrive at decisions on the study matter. The sample size was estimated as 384 by using Cochran's. Precision level was kept as five percent. Convenience sampling method was administered to collect the data. i.e., the data was collected from the relatives, neighbors and also through mailers. Frequency, percentages, Independent sample 't'test and Anova are the tools applied to meet out the objectives of the study. The results of the test are tabled appropriately and discussed in the section 4.

6. ANALYSIS & INTERPRETATIONS:

TABLE - 1

RESPONDENTS PROFILE

S. No	Particulars	Groups	Frequency	Percentage
1	Gender	Men	211	54.8
		Women	174	45.2
2	Marital Status	Married	249	64.7
		Unmarried	136	35.3
3	Age Group	Youngsters	157	40.8
		Middle Aged	142	36.9
		Elders	89	23.1
4	Education	10th Std and below	18	5
		12th Std	52	14
		Under Graduate	240	62
		Post Graduate and above	75	19
5	Income	High Income	149	38.7
		Middle Income	122	31.7
		Low Income	114	29.6

Table 1 depicts the demographic nature of online purchasers. Among the respondents there are 54.8 percent male and 45.2 percent women. 64.7 percent are married and the rest are unmarried. 40.8 percent of the respondents are youngsters, 36.9 percent are middle aged people and the rest 23.1 percent of the respondents are elders. Statistics on education shows literature level has been steadily increasing over the years. Currently among the respondent's 5 percent are less educated with 10th standard level of education, 14 percent have studied up to 12th standard, 62 percent have studied undergraduate and 19 percent have completed Post graduate and above levels of education. Economically there is almost equal proportion in all three categories of economic status such as less income group, middle income group and high-income group with 29.6 percent, 31.7 percent and 38.7 percent respectively. The overall demographic statistics reveals that the online purchasers are scattered widely.

TABLE - 2

GENDER AND PURCHASE INTENTION

Gender	N	Mean	S.D	S.E	M.D	't' Value	Significance
Men	211	46.9858	10.15568	0.69915	1.457046	1.498244	0.021
Women	174	45.5287	8.62962	0.65421			
Total	385						

The way a man thinks is entirely different from the way a woman thinks. It may be due to their exposures, their psychological, mental and physical state of the persons. Always gender had played a critical role in many studies related to demographic influences. Hence it is hypothesed to test the influence of gender on the purchase intention through online. Using independent sample‘t’ test the hypothesis was tested. The results indicated that gender is an influential factor in online purchases. Though the mean scores of purchase intention are 46.9 and 45.5 for men and women respectively, the standard deviations are larger that account to its significance which is at 0.021. Hence gender shows a commendable significance on the online purchase intentions.

TABLE 3

Marital Status and Online Purchase Intention

Factor	Sources of Variations	Sum of Squares	Df	Mean Square	F	Sig.
Purchase Intention	Between Groups	203.992	1	203.992	1.637	.202
	Within Groups	47726.512	383	124.612		
	Total	47930.504	384			

The influence of marital status ought to be tested because many scholars have found significant differences among the people in their pre- and post-marriage times and divorced. Hence a hypothesis was framed to test its’ significance on online purchases. However, the study has not found any significant difference in purchase intention online between married and unmarried people. Using Anova the hypothesis was analyzed and the obtained ‘p’ value (0.202) indicated that marital status is not a significant factor here in online purchase intentions.

TABLE – 4

AGE AND ONLINE PURCHASE INTENTION

Factor	Sources of Variations	Sum of Squares	Df	Mean Square	F	Sig.
Purchase Intention	Between Groups	697.002	2	348.501	4.185	.016
	Within Groups	31564.247	382	83.283		
	Total	32261.249	384			

Age is always an important factor in many cases and it’s had its own influence in decisions. Senthilkumar, K. (2019) has found the influence of age in entrepreneurial leadership. Age goes on, the peoples’ thinking about an

issue is also varying. The same person has an idea about a thing at youngster stage and elder stage may not be the same. The same thing may exhibit in online purchase intention also. To test that hypothesis i.e the significance of gender and purchase intention in online mode purchases. an independent sample 't'-test was proposed and done. The results are presented in Table 4. The study has found a strong significance between age and online purchase intention. It is confirmed by the 'p' value (0.016) obtained at 5 percent confidence level. This shows different age group peoples' intention is different on the intentions of online purchase.

TABLE - 5

EDUCATION AND ONLINE PURCHASE INTENTION

Factor	Sources of Variations	Sum of Squares	Df	Mean Square	F	Sig.
Purchase Intention	Between Groups	696.496	3	232.165	2.689	.046
	Within Groups	32897.930	381	86.346		
	Total	33594.426	384			

The thinking capability and the dimensions of thinking vary from a person to a person, which may be caused by many factors and education is one important factor among them. Kanchan, U., Kumar, N., & Gupta, A. (2015) found positive correlation between education and online purchase frequencies. Using the tool Anova, the hypothesis on the significance of education was tested and found by the 'p' value (0.046) that it is significant.

TABLE - 6

Household Income and Online Purchase Intention

Factor	Sources of Variations	Sum of Squares	Df	Mean Square	F	Sig.
Purchase Intention	Between Groups	652.887	2	326.444	3.657807	0.027
	Within Groups	34091.876	382	89.246		
	Total	34744.764	384			

The household income has critical influence on purchase behavior of individuals. Obviously, those who earn more can spend lavishly whereas low-income people may not have the opportunity to do so. Our study has also indicated ('p' value 0.027, Anova analysis) that household income is a critical and significant factor.

CONCLUSSIONS:

Online purchase is booming at an exponential form. Marketers are now focusing on the strategies that help them to promote their products and services on online modes. Steadily all the businesses are also focusing on the

benefits and potential of online modes of selling their products and services. Though there are many variables influencing online purchase, the influence of sociodemographic factors is credible. The results of the current study indicated the same and can be used by stakeholders' especially online retailers to update their customer service programs, operational procedures, and promotional strategies. Clear awareness of the needs, characteristics, and requirements of the consumer is necessary for positioning and segmentation tactics. In the literature on online buying, demographic features of an individual have not been extensively investigated. In order to develop diverse marketing tactics that meet their shifting wants, it is vital to comprehend the many factors that influence Indian consumers to purchase online.

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