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A Study on Online Marketing and Customer Buying Decision with Reference to Palakkad District, Kerala

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Abstract

The study aims to analyze the impact of online marketing in customer buying decision with special reference to Palakkad District of Kerala gives, a pragmatic insight by experimenting the level of satisfaction and family income of respondents who are engaged in online sites for most of their purchase. Both primary and secondary data were used for this study. Analysis of association between the variables are followed the non parametric test through cross tabulation and draw conclusion about the association of variables. The end result of this paper focuses on the popularity of online purchasing and the impact of online marketing in online purchase decision of consumers also, the association between different demographic variables and online purchasing habits. And the study concludes there is a significant association between the demographic variable family income and the level of satisfaction among the buyers in Palakkad.

Key words: Online marketing, Customer buying decision, Level of satisfaction, Online purchasing, Demographic variable.

1. Introduction

Earlier, there was a universal business model for every company and the customer was aware of the product through advertisements in televisions, radio, print and billboards. It was a long process to decide whether to buy a product or not. But this scenario changed widely in the era of digital marketing where consumers are informed and aware of any and every product at his eyes reach through various online social forums, websites, mobile apps etc. These online purchasing portals provide every information about the products such as price, availability, quantity, quality, details of manufacturers, information about distributors, brand value and the like thereby resulting in ease of purchase decision. Also, the prime reasons for any consumer to go online purchasing is any time shopping, vast variety of products surfed simultaneously, saving time and travelling cost. Flipkart, Amazon, Snapdeal, Myntra, Ebay, Paytym mall, Club factory etc., are some of the most common online portals which offer extensive range of products, covering and reaching the entire strata of the population in this country. The modern digital consumers want everything at ease and early, purchasing in online seems to be an indicator of standard of living because a decade ago, customers never thought about ordering of groceries & food items in online but, now there are lot of choices from durables to perishable like electronic appliances, mobile phones, watches, perfumes, beauty products, books, magazines, home appliances, kitchen appliances, jewellery, groceries, food products, entertainment, health care and so on. These online portals are ready to serve and satisfy the needs and wants of the consumers by providing hassle free web services, easy payment options, better return policies and early delivery choices at the door steps with less cost.

In the present stiff competitive market scenario, involving mergers and takeovers of business entities, and witnessing rapid changes in taste, preferences and habitual lifestyle of consumers, has made marketers to understand the different dimensional aspects of digital marketing to design a well customized marketing campaign to reach consumers at early. Since, every online purchase decision is based on thorough research,

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evaluation and ranking. Also the modern customers are very upfront about their opinions because they deliver immediate comments. They are ready to grant star rating and poor rating for their different satisfaction levels. Therefore, staying in tune with upcoming trends and customers pulse will help companies to sustain in the market.(Paul, 2019) Online shopping is the most important way of dealings in e-business and is said to be the future of shopping, since the buyer can buy the products from different areas of the world.

In this above scenario the study mainly focuses on online purchasing decision of individual consumers and the factors that consider important to buy a product online with special reference to Palakkad District of Kerala.

2. Literature Review

According to IMAI report 2019, in India, 451 million monthly active internet users from this, 385 million active users are over 12 years of age and 66 million are 5-11 years old who can access internet from family member's devices. As per this report in India, some of the states have fewer female internet users when compared to male users. But, this scenario is different when it comes to Kerala state because, in Kerala, Tamil Nadu and Delhi have more proportion of female internet users hence, we cannot see a high disparity between male and female internet users in Kerala.

(Kavya Shree K.M. & Dr. Manasa Nagabhusanam, 2018) they studied and found that there is no comprehensive theory to predict e-consumer behaviour and suggest to develop a consumer behavioural model with respect to Indian context.(Constantinides, 2004) is of the opinion that the web experience considered as a dynamic and evolving subject and technological innovations will help the e-marketers to enhance their customers online experience. (Naseeth Ahamed Nizar & Chrishankar Janathanan, 2018) discussed that online transactions can be done more effectively if the companies provide proper information and create a trust among consumers about the authenticity of online sites.(Manju Ahuja,Babita Gupta and Pushkala Raman, 2003) conducted an investigation of online consumer purchasing behaviour and in their findings convenience and customer service act as strong motivators when they present whereas, they can become strong barriers when absent.(Yamin, 2017) studied the impact of digital marketing on behavioural prospect of consumers of Bangladesh and he concluded that the proper market research and integrated marketing communication by including digital marketing tools and strategies help to bring more effective and efficient marketing.

(Dr.E Murali Dharshan & Japa Asritha Reddy , 2019) are conducted a study about customer behaviour towards online shopping in Hyderabad and the research objectives were to find out various issues faced by the customers and also examine different factors that influence the customers to purchase products through online. The study finds, lack of security, no guarantee in product quality and digital payment failure are some of the major issues in online shopping. Trust, price and convenience are the main factors influencing online consumer behaviour and concluded that online shopping is a growing technology, it can attract not only the youth between the age of 21to 30 but also employees and home makers hence, in future it can grow in a big way.

3. Research Methodology

3.1 Objectives of the Study

The main objectives of this study is to examine the popularity of online purchasing and analyse the impact of online marketing in online purchase decision of consumers in Palakkad.

3.2 Hypothesis

H0: There is no significant association exists between demographic variable (family income) and satisfaction level of customers towards online purchasing.

3.3 Method

Present study uses statistical tools of percentage method to analyse the demographic variables. Satisfaction level of participants in online purchase depends upon the decision of purchaser and likert scale is used to evaluate this dependent variable by specifying the level of satisfaction and dissatisfaction, also used cross-tabulation& chi-square test to analyse the association between variables of family income and level of satisfaction in online purchasing and nominal scale is used to measure all the variables.

3.4 Research Strategy

To collect the variables a structured questionnaire was prepared based on the study objectives and hypothesis. Non-probability sampling technique (convenient sampling method) used to select the samples from Palakkad District. Researchers used both primary and secondary data for this study. Primary data is being collected through the questionnaire and different methods are used for data collection such as distributing questionnaires personally and collecting data, sending through mail, posting through whatsapp group and direct call. Secondary data sources are published reports, research papers, census survey, articles and journals, related websites etc.

3.5 Sample Size

Due to time constraint the sample size is restricted to 200.

3.6 Study Participants

Participants include all the age group ranging from 15-70 years irrespective of their gender, marital status, education, occupation and family income.

4. Analysis and Interpretation

4.1 Demographic Profile of the Respondents

The demographic profile reveals that out of 200 respondents, 52.5% of the respondents are male, majority of the respondents (23.5%) are coming under the age group of 31-38, 72% of the respondents are married, 33.5% of the respondents are post graduates in online buying, 31% of the respondents are private employees and majority of the respondents (31.5%) are coming under the income group of Rs. 30,001 – Rs.40,000.

The study finds that all the respondents have knowledge about online purchasing hence; the popularity of online purchasing is 100% among the respondents in Palakkad District. And the most influencing attributes or factors to purchase online are discounts and offers (34%), ease of usage and web design (26%), wide range of choice (15%), speed and saving of time(10%), brand loyalty (5%) affordable price & security (3.5% each) and easy payment mechanisms (3%).

4.2 Chi-square test

H0: There is no significant association between family income and satisfaction level of consumers towards online purchasing.

H1: There is a significant association between family income and satisfaction level of consumers towards online purchasing.

Table 1 - Family income and satisfaction level of consumers Cross-tabulation

Family Income	Dissatisfied	Neutral	Satisfied	Total
Below Rs.10,000	2 12.50%	3 2.97%	1 1.20%	6 3.00%
Rs.10,001-20,000	2 12.50%	22 21.78%	8 9.64%	32 16.00%
Rs.20,001-30,000	4 25.00%	18 17.82%	18 21.69%	40 20.00%
Rs.30,001-40,000	7 43.75%	31 30.70%	25 30.12%	63 31.50%
Rs.40,001-50,000	0 0.00%	17 16.83%	11 13.25%	28 14.00%
Above Rs.50,000	1 6.25%	10 9.90%	20 24.10%	31 15.50%
Total	16 100%	101 100%	83 100%	200 100%

Source: Primary Data

Table 2 - Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.163 ^a	10	0.020
Likelihood Ratio	21.527	10	0.018
N of Valid Cases	200		

a. 7 cells (38.9%) have expected count less than 5. The minimum expected count is .48.

Table 3 - Symmetric Measures

	Value	Approximate Significance
Nominal by Nominal Contingency Coefficient	0.309	0.020
N of Valid Cases	200	

From the table the chi-square value is 21.163 and p value associated for this chi-square value is 0.020 (*Asymptotic significance* = 0.020), which is less than 0.05, ($P < 0.05$) therefore, the null hypothesis is rejected and we can conclude that family income of people and their satisfaction levels are associated in online purchasing so that, there is a significant association between family income and satisfaction level of online buyers. This conclusion is also supported by the final table which shows the contingency coefficient is 0.309.

5. Conclusion

This study the impact of online marketing in customer buying decision with special reference to Palakkad District of Kerala gives, a pragmatic insight by experimenting the level of satisfaction and family income of respondents who are engaged in online sites for most of their purchase. The study finds that all the respondents have knowledge about online purchasing hence; the popularity of online purchasing is 100% among the respondents. It further reveals that discounts and offers, ease of usage and web design, wide range of choice, and saving of time, brand loyalty are the most influencing factors to purchase online also it finds the association between family income and satisfaction levels of consumers. Every online purchasing website stands as a base for many retailers, wholesalers and channel distributors and the trustworthiness of these portals depends mainly on how better quality services and products are delivered by these retailers and wholesalers. It is a well-known fact that every consumer expects value for the price they pay and they are ready to pay more for best quality product. Delivering unexpected product, damaged product, wrong product creates a sense of insecurity among the consumers because the factor "security" (3.5%) has scored less in influencing and hence these online purchasing portals can go for more authorisation of the vendors so that the end consumers are benefited more. Moreover, this study is based in a particular geographical area hence, it is considered as a limitation for making judgement about online buying decisions of buyers of different regions.

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