

# TECHNOLOGICAL IMPACT ON CONSUMER BUYING BEHAVIOR– A STUDY

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## Abstract

*Good governance is a need of the dynamic world. Business leaders are facing various challenges in the modern business world. They must frequently change their strategies, if they want to survive and lead. They need to be up-to-date with the changing business environment, if they want to satisfy the needs of the stakeholders. Business operates under different external as well as internal environment. Technology is also one among the important external environment which must be taken care of.*

*Tremendous changes are taking place in the world of technology. These changes have direct impact on the working of a business. Increased usage of mobile phones, internet, shortened the distance between the producer and the consumer. Development of various customer-friendly apps, service providers, shopping sites, etc. have made easy accessibility for the consumers. Business leaders are facing challenges to meet consumer expectations. There has been a significant shift in the consumer buying behaviour. As a business, you must keep yourself up-to-date with the changing technology as well as changing consumer behaviour.*

*In this paper an attempt has been made to highlight the impact of technology on consumer buying behaviour. For the purpose of study data is collected from primary and secondary sources.*

**Keywords:** *Consumer, Buying Behaviour, Technology*

## Introduction:

Consumer behaviour is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioural responses that precede or follow these activities. It is influenced by various factors. Understanding consumer behaviour is a big challenge for any business. Technology has lead various inventions, which has posed various opportunities as well as challenges for business concerns. If the business leaders ignore these technological impacts on consumer behaviour and fail to meet their market, then they will need to pack their bags. We know that customer is the king, but now technology has given full power in the fingertips of customer.

## Background of the Study:

### Technology in Business:

Technology changed the structure of business at different stages of its evolution.

**1. Pre 1800s:** Most businesses were local, lack of transportation facility, existence of Barter system.

**2. 1800s:** Transportation systems developed, departmental stores developed, cash register was invented.

**3. Late 1800s to mid 1900s:** Mail orders and catalogues were developed and used for purchasing items from long distances.

**4. 1900s:** The first supermarket, first shopping mall were opened, shopping cart was invented, new highways, larger shopping centres were developed. Bank of America

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launched first credit card, Kmart, Walmart and others opened their first discount stores. In 1960s Debit card invented.

**5. Late 1900s:** Departmental stores found decline, Bigbox store chains began to flourish catering the need of shoppers at a single place. In 1990s, Walmart became the world's largest retailer. In 1995, Amazon took the advantage of invention in the field of internet and began to sell and ship books.

**6. 2000s – Now:** Many companies followed Amazon and expanded their business in online retail. This allowed customers to use online shopping. In 2006 Facebook allowed companies to promote their products through social media. In 2008, Apple and iTunes became the world's largest music retailers and Amazon became world's largest online retailer. Many departmental stores and other offline stores had to close their business because of people's interest towards online stores.

### **Technological Impact on Consumer Buying Behaviour:**

We have seen how technology influenced on the business. In the same way it has considerable influence on Consumer Buying Behaviour also.

**1. Customer Expectations:** With the raise of technology, customer expectations also raised. Use of Internet, mobile phones, e-marketing, has made it possible for 24-hour shopping. A single negative review can affect on the reputation of a business.

**2. Network:** Today's internet has connected the whole world into a single network. Companies have to satisfy customers' changing needs at customers' place. If a target customer spends more time in social media, company should reach him/her in social media.

**3. Communication:** When a company fails to answer to a single query, it can damage its reputation. This is because this information reaches millions of customers. So, it must be present 24-hours to answer customer's queries.

### **Literature Review:**

Dr.Manasa and KavyashreeK.M(2018) found that the consumer behaviour had changed drastically because of the technological interference and so is the consumer behavioural theory. They also found there is a need to develop a consumer behavioural model, especially with respect to Indian context.

Sue Yasav(2015) in their study opines that A retailer can make use of responsive website design, custom alerts and a compelling content strategy. The seamless integration of these tools into the shopping experience can attract new shoppers to a brand, and result in greater loyalty from existing customers.

Dr.Mahabir & Dr.Geetha(2013) found that consumers have overall positive image towards use of IT while making purchase. There is a need for marketers to understand what motivate consumers to purchase online and what discourages them from doing so.

Arjun Mitthal (2013) opines that internet consumer trust and perceived risk have strong impacts on their purchasing decisions. Consumer's trust, privacy concerns, security concerns are the major factors for using internet for shopping, the trust on websites influence to the purchasing decision of any consumer.

### **Objectives Of The Study:**

- To study the impact of Technology on consumer buying behaviour.
- To study different stages of technological influence on Business.
- To study technological impact on consumer behaviour.
- To study the extent of usage of social media by consumers for buying decisions.
- To suggest certain measures to utilise technological challenges.

### **Methodology:**

Primary and secondary data are used for study. A questionnaire is used to collect the information from 72 respondents. Non-probability sampling technique is used for data collection. Secondary data is collected from journals, articles and related websites.

### **Limitations:**

- The sample size is comparatively smaller.
- Primary data has its own limitations which might affect the conclusion of the study.
- The study simply presents the findings and has not used other advanced statistical methods.

### **Data Analysis:**

Only simple statistical tool and the percentage analysis are used for the analysis and interpretation of the data.



**Table 1: Personal details of respondents:**

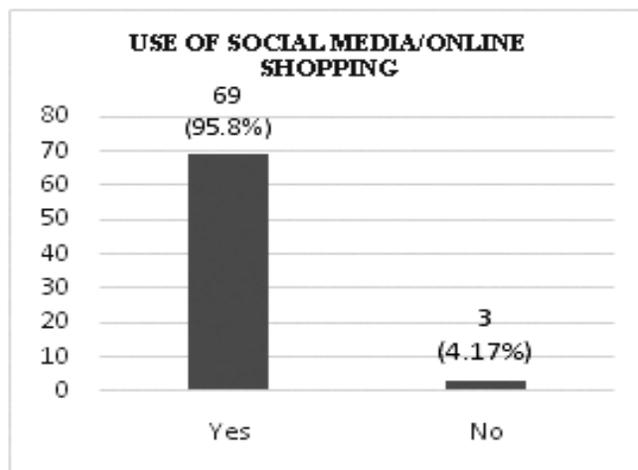
Particulars	Count	Percentage
<b>Total</b>	72	100.00
<b>A. Gender</b>		
Male	36	50.00
Female	36	50.00
<b>B. Age</b>		
18 to 30	43	59.72
31 to 40	20	27.78
41 to 50	04	5.56
Above 51	05	6.94
<b>C. Education</b>		
Undergraduate	14	19.44
Graduate	20	27.78
Post-Graduate	33	45.83
Other	05	6.95
<b>D. Profession</b>		
Student	21	29.17
Entrepreneur	02	2.78
Service	26	36.11
Government Employee	05	6.94
Other	18	25
<b>E. Annual Income</b>		
below 2,00,000	40	55.56
2,00,000- 300,000 Rs	13	18.05
300,000- 500,000 Rs	04	5.56
above 500,000 Rs	15	20.83
<b>F. Marital Status</b>		
Single	38	52.78
Married	34	47.22

Table 1 shows that there were 72 respondents, consisting 36 male and 36 female and majority (59.72%) come under the age category of 18 to 30. Most of the respondent's occupation is service with 36.11%. Most of the respondents (55.56%) come under the annual income below Rs. 2,00,000. Among the respondents, 52.78% were unmarried.

**Table 2: Use of social media/online shopping**

	Count	%
Yes	69	95.83
No	03	4.17

Among the respondents, 69 respondents (95.83%) use social media/online shopping, and 3 respondents (4.17%) do not use social media/online shopping.



**Table 3: Respondents who pay attention to the advertisement in social media/online shopping.**

	Count	%
Yes	51	70.83
No	21	29.17

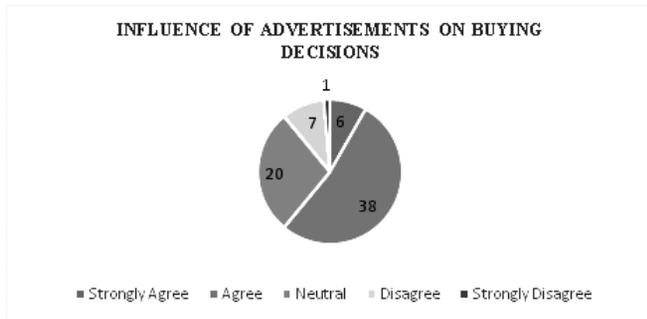
Among the respondents, 51 respondents (70.83%) pay attention to the advertisement on social media/online shopping websites and 21 respondents (29.17%) do not.



**Table 4: Influence of Social Media/Online shopping advertisements in your buying decisions**

	Count	%
Strongly Agree	06	8.33
Agree	38	52.78
Neutral	20	27.78
Disagree	07	9.72
Strongly Disagree	01	1.39

Among the respondents, 38 (52.78%) respondents agreed that advertisements in the Social Media/online shopping, influence their buying decisions.



**Table 5: Do Social Media/Online shopping reviews influence your buying decisions?**

	Count	%
Yes	67	93.05
No	05	6.94

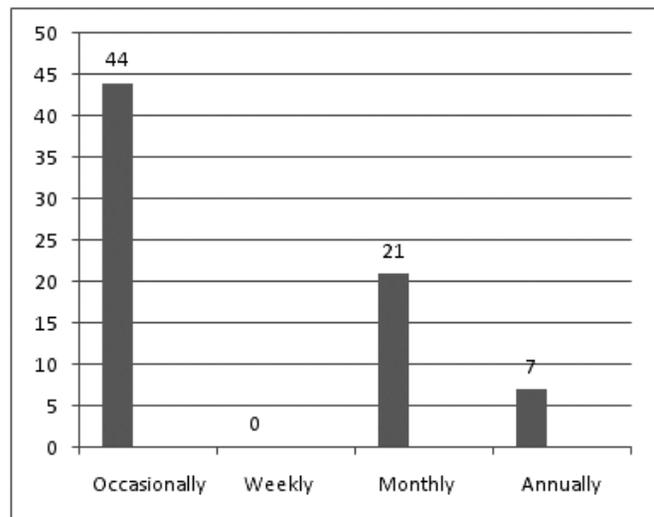
Majority 67 (93.05%) respondents agreed that reviews in the Social media/online shopping influence their buying decisions.



**Table 6: Frequency of online purchases:**

	Count	%
Occasionally	44	61.11
Weekly	0	0.00
Monthly	21	29.17
Annually	07	9.72

Majority of the respondents i.e., 44 (61.11%) occasionally do online purchases.



**Table 7: Preferred source of information for online purchases**

	Count	%
Friends & Relatives	33	45.83
Company's website	24	33.33
Advertisement in Social Media	11	15.28
Other	04	5.56

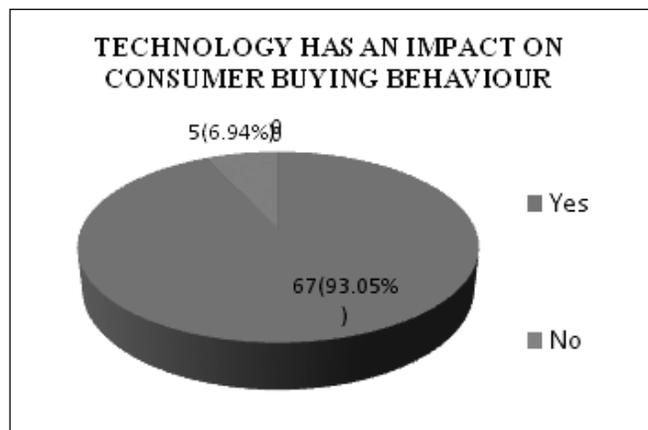
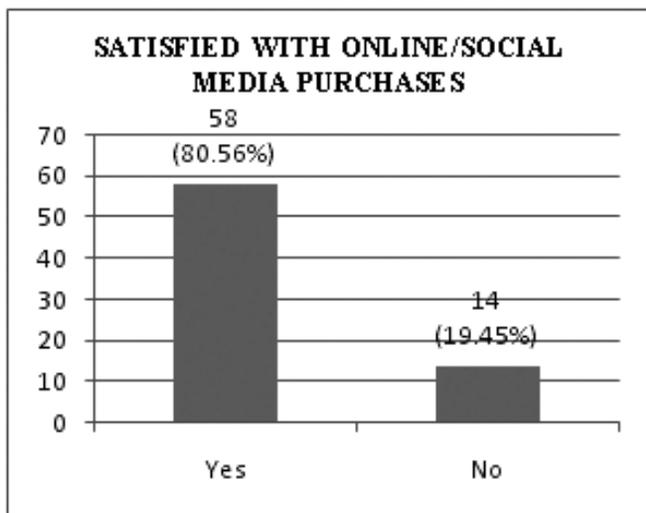
For majority of the respondents 45.83%, preferred source of information is through friends and relatives, followed by 33.33%, who prefer company's websites.



**Table 8: Respondents satisfied with online/social media purchases:**

	Count	%
Yes	58	80.56
No	14	19.45

Among the respondents, majority, i.e., 58 respondents (80.56%) are satisfied with online/social media purchases.



**Table 9: Reasons for the satisfaction:**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Increases efficiency in purchasing	09	27	16	03	-
Reduces cost	14	32	07	02	-
Better decision making	14	26	15	01	-
Provides sufficient information	23	29	04	-	-
Wide variety / range of products	21	29	03	01	01
Enables Door Delivery	29	21	05	01	-
Replacement options available	18	26	10	01	-
Easy and convenient payment mode	22	27	05	-	-
Good discounts/lower prices	16	27	09	02	-

**Table 10: Reasons for Dissatisfaction:**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Internet Problems	10	11	07	00	-
Security Problems	09	10	07	03	-
Defective Items	06	14	08	-	-
Delay in Delivery	03	14	04	07	-
Poor Packaging	03	06	11	08	-
Lack of physical verification	09	10	05	03	-
Frauds in Online shopping	04	13	08	02	-

**Table 11: Do you agree “Technology has an impact on Consumer Buying Behaviour”**

	Count	%
Yes	67	93.05
No	05	6.94

Majority, i.e., 93.05% agreed that technology has an impact on Consumer Buying Behaviour.

**Findings:**

1. Among the respondents, majority, i.e., 69 respondents (95.83%) use social media/online shopping,
2. Among the respondents, majority, i.e., 51 respondents (70.83%) pay attention to advertisement on social media/online shopping websites.
3. Majority, 38 (52.78%) respondents agreed that Social Media/online shopping advertisements influence their buying decisions,.
4. Majority of the respondents i.e., 44 (61.11%) Occasionally do online purchases
5. For majority of the respondents 45.83%, preferred source of information is through friends and relatives, followed by 33.33%, who prefer company’s websites.
6. Among the respondents, majority, i.e., 58 respondents (80.56%) are satisfied with online purchases.
7. Respondents prefer social medias/online shopping because of the increased efficiency in purchasing, reduced cost, better decision making, wide choice, door delivery facility, easy replacement, easy payment mode, good offers/discounts, etc.
8. Their major concern which hinders on buying decisions include, internet problems, security problems, defective items, delay in delivery, poor packaging, lack of physical verification, frauds, etc.
9. Majority of the respondents, i.e., 93.05% agreed that technology has an impact on Consumer Buying Behaviour.
10. Some respondents are disappointed when they receive products which are entirely different from what is shown in the advertisements.



### Suggestions:

1. Respondents mainly fear of quality of products they receive through online modes, since there is no physical verification possible. This must be properly taken care of by the companies to secure customers confidence.
2. Delivery time, proper packaging, quality issues, customer service, customer queries, etc. should be paid proper attention.
3. Business owners need to concentrate their strategies on technologies for growth and development and increasing their customer base.
4. Companies need to secure their networks to avoid frauds and obtain confidence of the customers.
5. Small business owners can make use of technology to reduce their operating, advertising and other costs.
6. They can also use technology to gather information relating to business and customers for strategy development.
7. Instead of spending too much on advertisements, companies need to concentrate on reaching their customers through social media.

### Conclusion:

Technology has great impact in almost every field, and so in consumer buying behaviour. In most societies technology has enabled economic growth and leisure. Now, even the new small businesses and retailers can find and reach their customers through social medias and that too without the need to have a business outlet or advertising expenditure. In this study we have found that technology influence consumer buying behaviour through advertisements, reviews, offers/discounts, wide variety, 24-hour access, easy replacements and other benefits. We also found that internet problems, security issues, quality issues, delivery time etc. hinder on the success of certain companies. Companies need to devote much of their time on technology to influence consumer behaviour.

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