

A Study on How Growth of Internet Affects Consumer Behaviour – An Indian Approach

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Abstract: This quantitative study examines the influence of internet growth on consumer behaviour in India. Data was collected through a questionnaire distributed among a sample size of 120 participants. The research aims to achieve three main objectives: Identify factors leading to internet growth in India and its impact on consumer behaviour, Assess the extent of Indian consumers' internet usage for information search and decision-making in purchasing goods and services, and explore the overall influence of the internet on consumer behaviour. Findings indicate that increased mobile penetration, affordable data plans, and improved digital infrastructure have driven internet adoption in India. The study establishes a strong relationship between internet growth and changes in consumer behaviour. Indian consumers extensively use the internet for information search, enabling informed purchasing decisions. The internet has expanded consumer choices and influenced decision-making by providing access to online platforms, social media, and e-commerce websites. This research provides valuable insights for businesses, marketers, and policymakers, facilitating the adaptation of marketing strategies to effectively engage Indian consumers in the digital age.

Keywords: Communication platforms, consumer behaviour, internet growth, information search, purchase decision-making, e-commerce.

1. Introduction

The increasing emphasis on global expansion and the widespread adoption of technology have resulted in significant changes in how companies prioritize their consumers (Quelch & Jocz, 2008). The internet has become an excellent way of communicating, exchanging data, providing services and products over the last few years. For public to gain knowledge about different products and services, Internet networking played an important role which includes advertisements, articles on topics such as advertising or promotion. Consumer behaviour is an interdisciplinary area that looks at the complex interplay of internal and external factors affecting individual or groups in their decisions as to whether, for instance, they purchase, use, discard goods, services, ideas etc. with a view to fulfilling their needs and desires.

In the context of the internet, buying behaviour is guided by online decision-making, which is influenced by the amount of information to be processed. In the present era, customers are exposed to an overwhelming volume of information on the Internet, leading to a notable decrease in consumer attention

span (Veer et al., 2019). Social media has brought a significant change by providing new ways for people to gather detailed information about products and services. It has made it easy for customers to join conversations and discuss products, brands, and reviews with each other quickly and without any difficulty (Powers et al., 2012). Additionally, the opinions of customers are mostly shaped by the reviews of other customers about products and services in the online world. These opinions also have an impact on customers in the offline world (Smith, 2009). This study focuses on new sources of information and how they affect customer decision-making when buying complex products. The internet has become increasingly popular, providing opportunities for online marketers to understand what influences customers when they decide to buy. By understanding these factors, marketers can improve their strategies to attract new customers and keep existing ones. However, online shopping is still evolving, and marketers have limited knowledge about customer behaviour. This research explores factors like customer attitudes, opinions from others, and control over their actions that influence customer buying behaviour on the internet.

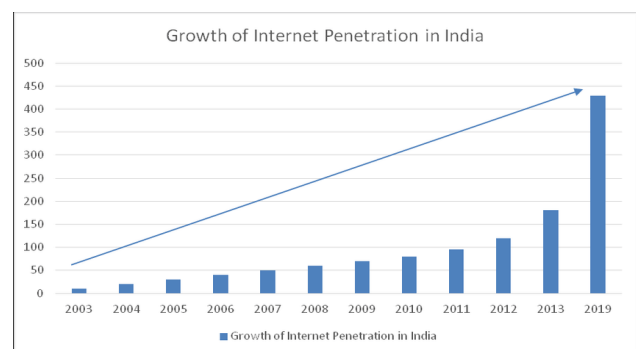


Fig. 1. Graph depicting growth on internet penetration in India

Online purchase intention refers to the significant inclination of a buyer to engage in purchasing behaviour through the utilization of the Internet (Leiss et al., 2018). This study delves into understanding the various processes involved in consumer decision-making and encompasses the exploration of motivations, preferences, attitudes, and behaviours exhibited by consumers in their quest for satisfaction Social media, including

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informal communication platforms such as Twitter, Facebook, Instagram, and more, where individuals are able to interact with each other, play an important role in transforming people's lives. In order to support awareness within a huge number of people, it has become an essential medium. Some crucial psychological factors are involved, such as motivation, perception, belief, attitude, and mindset, when developing a buyer's purchasing behaviour significantly influences individuals make decisions about their purchases.

2. Objectives

- To identify the factors that have led to the growth of the internet in India.
- To investigate the relationship between the growth of the internet and consumer behaviour in the Indian context.
- To examine the extent to which Indian consumers use the internet for information search and decision-making in purchasing goods and services.
- To investigate how the internet has influenced consumer behaviour in India.
- To identify the opportunities presented by the growth of the internet in India for businesses to reach and engage with consumers, such as the use of social media and mobile platforms.

3. Review of Literature

Veni and Venkatesh (2020) studied how the internet and social media have transformed the way people behave and the way businesses market their products in India. The increasing demand and supply are fuelled by evolving technology and concluded that the social networking platforms like Facebook, Instagram, and LinkedIn have a significant impact on daily life and offer opportunities for businesses to connect with customers and receive feedback. However, security and copyright issues need to be addressed. Overall, social media has become an essential part of modern society.

Victor *et al.* (2018) examined the factors influencing consumer behaviour and purchase decisions in a dynamic pricing context in the Indian online marketplace. Factors such as shopping experience, awareness about dynamic pricing, privacy concerns, buying strategy, fair price perceptions, reprisal intentions, and self-protection intentions were identified and concluded that the understanding customer behaviour and addressing privacy concerns is crucial to leverage dynamic pricing effectively and mitigate negative reactions that could harm the brand or online platform.

Devidi *et al.* (2017) studied the availability of the internet and how social networks has empowered customers to connect, exchange information, and share online reviews. This study also examined the influence of online product/service reviews on consumer buying behaviour. This research identified parameters such as product quality, cost benefits, warranty information, and brand reputation that consumers consider when making purchasing decisions based on online reviews and concluded that the majority of consumers rely on cumulative reviews and look for content similarity to determine their trust

in the reviews.

Dey (2017) studied the purchasing behaviour of Indian consumers which had undergone a significant change due to increased internet and social media usage, urbanization, and the emergence of the rural market. Consumer behaviour in India is complex and influenced by various factors such as perceptions, buying behaviour, and satisfaction and concluded that the catering to diverse consumer segments, including the vulnerable consumer, and embracing new trends in social media are crucial for creating value and customer satisfaction in the digital age.

Mittal (2013) assessed the current state of online shopping in India and its impact on consumer behaviour. It utilizes questionnaires and literature review to examine factors such as consumer trust, perceived risk, privacy concerns, and security that influence purchasing decisions and concluded the importance of these factors for e-commerce companies in developing effective marketing strategies.

Sinhna and Kim (2012) studied how India is seen as a promising market for global retailers, but online sales have not fully taken off despite the growing number of internet users. This study examines factors influencing Indian consumers' attitude towards online shopping, with a focus on risk perceptions. Convenience risk, delivery concerns, and perceived behavioural control are significant factors affecting attitudes. Gender differences show varying factors influencing male and female consumers. The study highlights the importance of considering customization and user-friendliness for different demographic groups.

Tyagi and Agarwal (2012) explored the factors influencing online buying behaviour among 300 respondents in Delhi. Authenticity, security, and value for money were identified as important features attracting online buyers, along with word of mouth and discounts and concluded that despite popularity, online buying is still the second preference due to preferences for physical stores. Instant delivery and service industries gain consumer attention, while online payments for utilities and insurance were widely used in India.

Gupta and Nayyar (2011) studied how the internet penetration in India has increased due to factors like easy payment options and affordable technology. However, the Indian internet retail market is not meeting its full potential. This research aims to identify the determinants of internet buying behaviour, incorporating demographic factors and perceived risk, and revealed that more men than women engage in internet shopping, and age, education, income, and organizational position influence online purchase intentions.

Rastogi (2010) examined the factors influencing online shoppers' buying behaviour in India. It explores socio-economic variables, consumers' attitudes, goals, perceptions of ease of use and usefulness. The findings offer valuable insights for market orientation and indicate a positive perception of online shopping in India. The convenience, variety, and safe payment options contribute to its bright future.

4. Methodology

A. Data Collection Methods

The primary data for this study was obtained through the utilization of a structured questionnaire, which was disseminated among the designated sample using various social media platforms, including but not limited to WhatsApp, Facebook and so on. This data collection approach allowed for a widespread distribution of the questionnaire, enabling access to a diverse range of participants. By employing a structured questionnaire, the study ensured standardized data collection, enhancing the reliability and validity of the findings. Leveraging social media platforms as distribution channels offered the advantage of reaching a larger audience, potentially yielding a representative sample. Such a methodology aligns with contemporary research practices, facilitating efficient and cost-effective data collection within a scientific and professional framework.

B. Sample Size

In this survey, the sample size was determined as 120, reflecting the predetermined number of elements to be sampled from the target population. By specifying the sample size, the study ensures a clearly defined and consistent framework for data collection.

C. Sample Design

To minimize potential sampling errors, this study adopted a deliberate strategy that disregarded demographic factors such as age, gender, and profession. By disregarding these variables, the study aimed to reduce potential biases and ensure a representative sample that adequately reflects the target population. This approach helps to enhance the generalizability and applicability of the findings. The deliberate inclusion of individuals across various age groups, genders, and professions enhances the diversity of perspectives and experiences within the sample, potentially enriching the data collected. This scientifically rigorous methodology supports the validity and reliability of the study's outcomes, allowing for more robust and comprehensive analyses.

5. Data Analysis and Interpretation

Data Interpretation:

The Table 1 illustrates the age distribution of respondents in the study. The largest portion of participants (55%) falls within the 20-30 age group, representing a majority in the sample.

Table 1
Age group of the sample

What age group do you fall under	No. of respondents	Percentage of respondents (%)
15-20	29	24.20
20-30	66	55
30-40	19	15.8
above 40	6	5

Those aged 15-20 account for 24.20% of the respondents, making them the second largest group. The 30-40 age group comprises 15.8% of the participants, while those above 40 represent 5% of the total respondents. This data highlights a higher representation of younger individuals in the study, particularly in the 20-30 age range, indicating the potential impact of younger generations on the research outcomes.

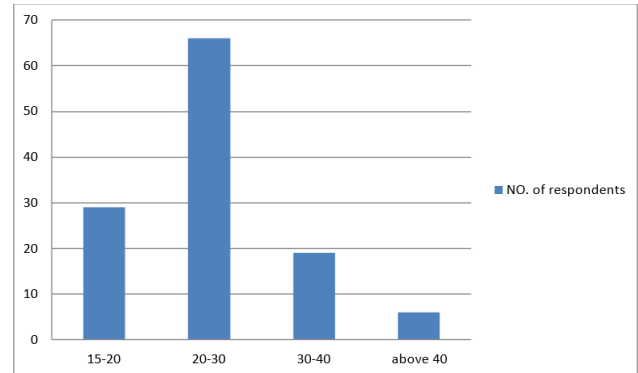


Fig. 2. Graphical representation of the age group of samples



Fig. 3. Graphical representation of how the growth of the internet affected sample's offline shopping behaviour

Data Interpretation:

The table 2 show the impact of internet growth on the offline shopping behaviour of respondents. The majority of participants (35.8%) indicated that they visit physical stores to try products before making online purchases, suggesting that the internet has influenced their decision-making process. A significant portion (34.2%) stated that they shop less frequently at physical stores, indicating a shift towards online shopping. However, a notable percentage (18.3%) reported no significant

Table 2

How the growth of the internet affected sample's offline shopping behaviour

How has the growth of the internet affected your offline shopping behavior?	No. of respondents	Percentage of respondents (%)
I shop less frequently at physical stores	41	34.2
I visit physical stores to try products before purchasing online	43	35.8
There has been no significant impact on my offline shopping behavior	22	18.3
I prefer shopping exclusively at physical stores	14	11.7

Table 3
Frequency of samples using internet for making purchasing decisions

How often do you use the internet for making purchasing decisions?	No. of respondents	Percentage of respondents (%)
Rarely	21	17.5
Occasionally	45	37.5
Frequently	38	31.7
Always	16	13.3

Table 4
How has the internet influenced sample's purchasing decisions

How has the internet influenced your purchasing decisions?	No. of respondents	Percentage of respondents (%)
I am more likely to purchase products/services online	36	30
I am more likely to research online before purchasing offline	50	41.7
I am more likely to visit physical stores after researching online	25	20.8
The internet has not influenced my purchasing decisions significantly	9	7.5

impact on their offline shopping behaviour. A smaller percentage (11.7%) expressed a preference for exclusively shopping at physical stores, highlighting a segment that remains unaffected by internet growth in their shopping habits.

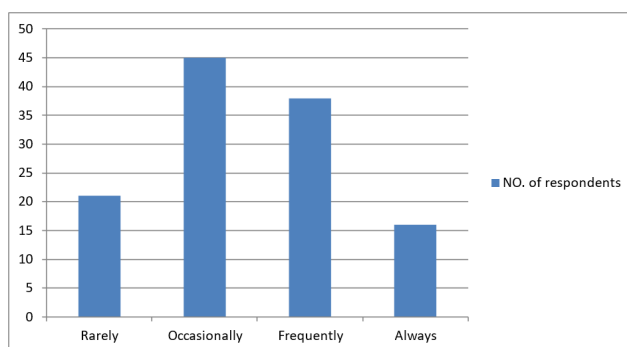


Fig. 4. Graphical representation of frequency of samples using internet for making purchasing decisions

Data Interpretation:

The table 3 shows the frequency with which respondents use the internet for making purchasing decisions. A considerable number of participants (37.5%) indicated that they use the internet occasionally in their decision-making process. Additionally, a significant portion (31.7%) reported frequent internet usage for purchasing decisions. A smaller percentage (13.3%) stated that they always rely on the internet for making purchasing decisions. Conversely, a minority (17.5%) indicated that they rarely use the internet for this purpose. These findings demonstrate the widespread utilization of the internet for making purchasing decisions, with a notable portion of respondents relying on it frequently or consistently.

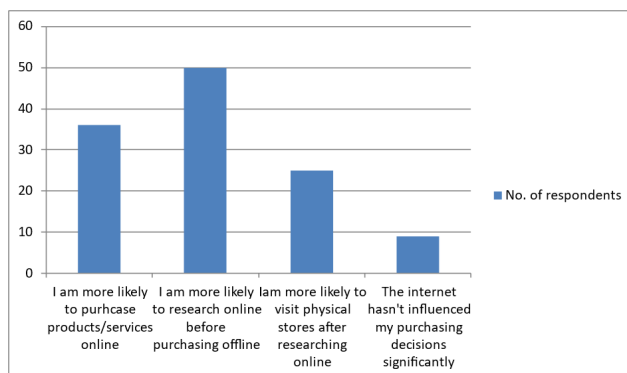


Fig. 5. Graphical representation of how has the internet influenced sample's purchasing decisions

Data Interpretation:

The table 4 shows the impact of the internet on respondents' purchasing decisions. A significant portion (41.7%) reported being more likely to research online before making offline purchases, indicating the internet's influence in their decision-making process. Additionally, 30% of participants stated that they are more likely to purchase products and services online, reflecting a shift towards e-commerce. A considerable percentage (20.8%) indicated that they visit physical stores after conducting online research. However, a minority (7.5%) stated that the internet hasn't significantly influenced their purchasing decisions. Lastly, 13.3% of respondents reported always relying on the internet for their purchasing decisions. These findings highlight the transformative impact of the internet on consumer behaviour, influencing various aspects of the purchasing process.

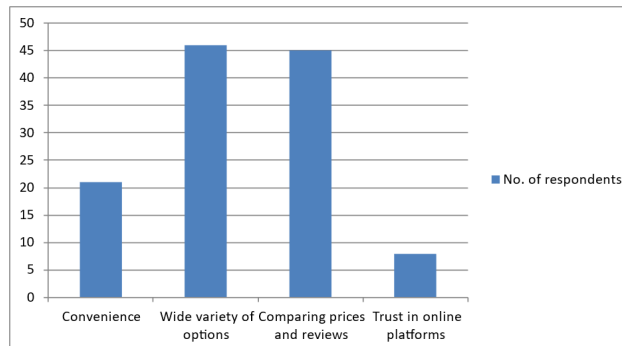


Fig. 6. Graphical representation of what do sample think is the primary reason for using the internet to gather information about products/services

Data Interpretation:

The table 5 indicates the primary reasons for using the internet to gather information about products and services. The majority of respondents (38.3%) cited the wide variety of options available online as the primary reason. This reflects the internet's ability to provide a vast range of choices to consumers. Additionally, a significant percentage (37.5%) highlighted the importance of comparing prices and reading reviews, indicating that the internet enables them to make informed purchasing decisions. Convenience was also noted as a reason by a notable portion (17.5%) of respondents. A smaller percentage (6.7%) mentioned trust in online platforms as their primary motivation for utilizing the internet for information gathering purposes. These findings emphasize the internet's role in providing convenience, options, price comparisons, and

Table 5
What do sample think is the primary reason for using the internet to gather information about products/services?

What do you think is the primary reason for using the internet to gather information about products/services?	No. of respondents	Percentage of respondents (%)
Convenience	21	17.5
Wide variety of options	46	38.3
Comparing prices and reviews	45	37.5
Trust in online platforms	8	6.7

Table 6
How has the internet influenced sample's product/service discovery process

How has the internet influenced your product/service discovery process?	No. of respondents	Percentage of respondents (%)
I discover new products/services through online advertisements	43	35.8
I explore recommendations from social media platforms	42	35
I rely on search engines to find new products/services	32	26.7
The internet has not significantly influenced my product/service discovery process	3	2.5

Table 7
Sample's trusting behaviour on customer reviews posted on online platforms

How likely are you to trust customer reviews posted on online platforms?	No. of respondents	Percentage of respondents (%)
Very likely	30	25
Somewhat likely	71	59.2
Not very likely	15	12.5
Not at all likely	4	3.3

Table 8
Sample's purchasing behaviour solely based on an online advertisement

Have you ever made a purchase solely based on an online advertisement?	No. of respondents	Percentage of respondents (%)
Yes, frequently	17	14.2
Yes, occasionally	58	48.3
No, never	29	24.2
I'm not sure	16	13.3

Table 9
How likely sample trust a brand that has strong online presence

How likely are you to trust a brand that has strong online presence?	No. of respondents	Percentage of respondents (%)
Very likely	52	43.3
Somewhat likely	56	46.7
Not very likely	9	7.5
Not at all likely	3	2.5

trusted platforms for consumers to gather information about products and services.

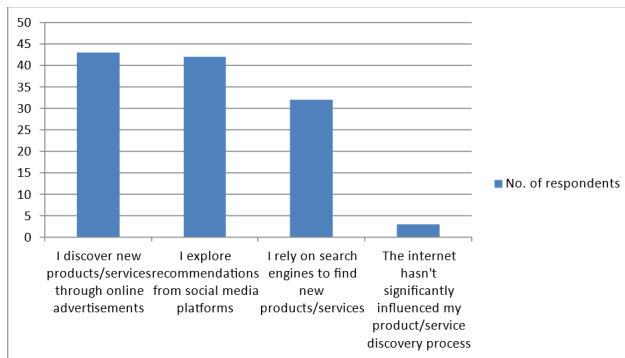


Fig. 7. Graphical representation of how has the internet influenced sample's product/service discovery process

Data Interpretation:

The information in the table no.6 shows the impact of the internet on respondents' product and service discovery process. A significant portion (35.8%) reported discovering new products and services through online advertisements. Social media platforms played a crucial role, with 35% of respondents relying on recommendations from these platforms. Additionally, 26.7% stated that they use search engines to find

new products and services. A small percentage (2.5%) reported that the internet hasn't significantly influenced their product or service discovery process. These findings emphasize the internet's role in facilitating product and service discovery through online advertisements, social media recommendations, and search engine usage.

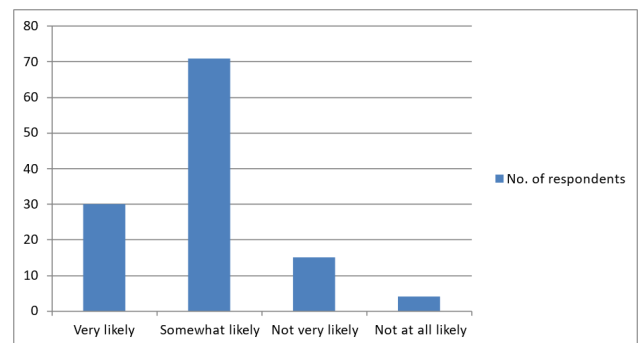


Fig. 8. Graphical representation of sample's trusting behaviour on customer reviews posted on online platforms

Data Interpretation:

The table 7 shows respondents' likelihood of trusting customer reviews posted on online platforms. The majority of participants (59.2%) reported being somewhat likely to trust these reviews, highlighting a significant level of reliance. A

Table 10
Factors considering most influential in the growth of the internet in India

Which factor do you consider most influential in the growth of the internet in India?	No. of respondents	Percentage of respondents
Increasing smartphone penetration	43	35.8
Government initiatives promoting digital connectivity	27	22.5
Availability of affordable internet plans	35	29.2
Expansion of e-commerce platforms	15	12.5

substantial portion (25%) stated they were very likely to trust customer reviews, further emphasizing the credibility attributed to online feedback. However, a smaller percentage (12.5%) expressed a not very likely inclination, while a minority (3.3%) reported not at all likely to trust customer reviews. These findings underscore the importance of online customer reviews in influencing consumer trust and decision-making processes.

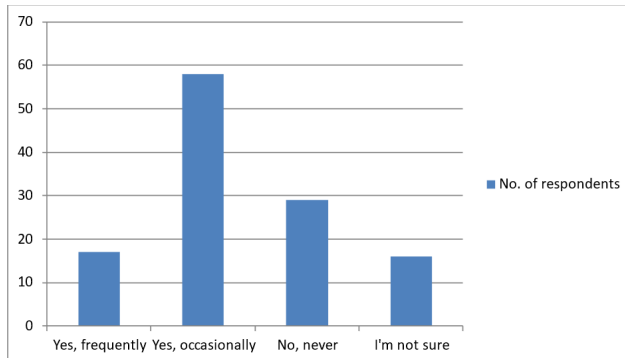


Fig. 9. Graphical representation of sample’s purchasing behaviour solely based on an online advertisement

Data Interpretation:

The table 8 indicates respondent’s experiences with making purchases solely based on online advertisements. A significant portion (48.3%) reported occasionally making purchases solely influenced by online advertisements. Additionally, 14.2% stated they frequently made such purchases. Conversely, a notable percentage (24.2%) indicated that they had never made a purchase solely based on online advertisements. A smaller proportion (13.3%) expressed uncertainty about their purchasing behaviour. These findings highlight the varying degrees of reliance on online advertisements in influencing purchasing decisions, with a considerable number of respondents acknowledging occasional or frequent purchases driven by online advertisements.

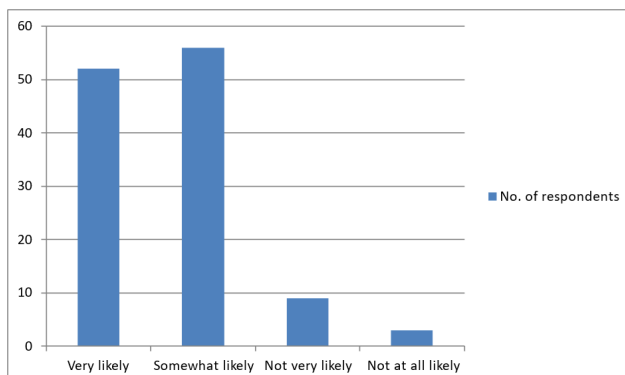


Fig. 10. Graphical representation of how likely sample trust a brand that has strong online presence

Data Interpretation:

The table 9 shows respondents' likelihood of trusting a brand with a strong online presence. A significant majority (46.7%) stated they were somewhat likely to trust such a brand, indicating the impact of a robust online presence on consumer confidence. Furthermore, 43.3% reported being very likely to trust a brand with a strong online presence, demonstrating the positive influence it holds. However, a smaller proportion (7.5%) expressed not very likely inclination, while a minority (2.5%) stated not at all likely to trust such brands. These findings highlight the importance of a strong online presence in fostering consumer trust and brand reputation.

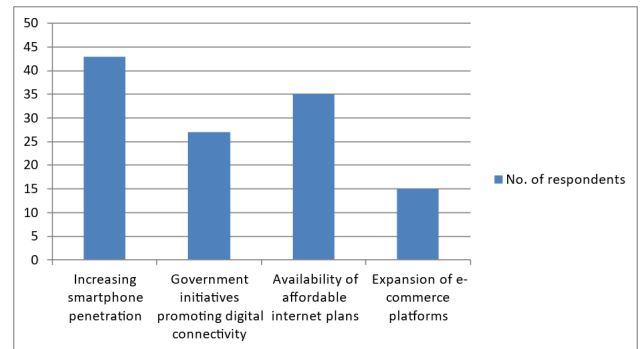


Fig. 11. Graphical representation of factors considering most influential in the growth of the internet in India

Data Interpretation:

The table 10 shows that 35.8% of respondents considering it crucial. This is followed by availability of affordable internet plans, which garnered 29.2% of respondents' support. Government initiatives promoting digital connectivity were seen as significant by 22.5% of respondents, while expansion of e-commerce platforms was considered influential by 12.5% of respondents. These findings highlight the importance of smartphones and affordability in driving internet growth in India.

6. Limitations of the Study

The study focused exclusively on online buyers from India, limiting the generalizability of the findings to other countries due to socio-cultural variations. It is essential to acknowledge that the observed results may not be universally applicable. Furthermore, the study recognized the inherent limitation of a small sample size, which may impact the statistical power and representativeness of the findings. It is crucial to interpret the results within the context of these limitations and exercise caution when extrapolating the findings to broader populations. Future research should aim to include diverse samples from multiple countries to provide a more comprehensive understanding of the subject matter.

7. Conclusion

The internet growth had shown significant influence on consumer behaviour. The findings based on quantitative study revealed that the factors such as increased mobile penetration, affordable internet data plans and improved digital infrastructure had driven internet adoption in the country. Indian consumers extensively use the internet for information search which help them make informed purchasing decisions. The growing digital era help marketers, businesses and policy makers to effectively engage with consumers and grow their market. The internet had expanded the consumer choices and influenced decision-making by providing access to online platforms, social media and e-commerce websites. The social media accessed, connectivity and online sources had shown great impact on consumer purchasing behaviour and shaping their purchasing intentions.

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