



A Study on Consumer Purchasing Behaviour After Digital Transformation of Business

Dr Rachna Thakkar¹, Prachi²

¹Assistant Professor, Department of Commerce, St. Xavier's College of Management & Technology, Patna, India.

²Student, Department of Commerce, St. Xavier's College of Management & Technology, Patna, India.

Email Id: rachnathakkar@sxcpatna.edu.in¹, prachikumari0103@gmail.com²

Orcid Id: 0000-0002-4175-5245¹, 0009-0003-6198-6715²

Abstract

The emergence of digital technology has made a significant shift in the business operations, significantly affecting the consumer purchasing behaviour. Most of the businesses have expanded its operations digitally where they can attract potential costumers online. The businesses have realized that although it may involve a larger cost in setting up the operations digitally in the initial years, but gradually it will be fruitful and is the need of the hour in this tremendous competitive market. Due to this shift from traditional to digital shopping experience costumers are now getting used to the seamless, secure and engaging online shopping experience. Although the businesses are trying their best to fit in with the rapidly changing environment, but still the transition among the Consumers as well as the businesses is not uniform across all demographics. This study highlights how the consumer purchasing behaviour is affected by the convenient and personalized experience that the businesses offer using various digital platforms with a wide range of products made available to the Consumers at prices of their choice. It also results in the sudden increase in the use of mobile phones in the recent few years for the purpose of online shopping.

Keywords: Digital Transformation, Consumer Purchasing Behavior, Digital Shopping.

1. Introduction

There are numerous examples of businesses that have shown the power of digital transformation in the organization [1]. It has changed the approach of mass of consumers towards purchasing different items. An entirely new concept of consumer brand relationship has emerged after the rapid digitalization taking place all around the business world. There are many areas which proves how digital transformation is keeping a pace with the changing consumer behaviour, few of which are listed below: (Infovision, 2020) [2]

Use of Mobile Apps: Due to digital transformation, the use of better and bigger smartphones has become very common among most of the households [3]. This enhances the shopping experience of the consumers making is very smooth and hassle-free. Not only for the consumers, but also for the businesses it's now more convenient to cater to a larger group of audience and maintain a better

Consumer engagement and relationship [4].

Mobile based Payment Applications: Due to digitalization, the amount of online shopping has increased and due to that mobile based payment applications have also become very popular nowadays. Not only for online shopping but these applications can also be used to do the payment physically while buying something offline from any store [5]. This has led to better record keeping of the transactions for both the businesses as well as the consumers.

Social media: These days social media is playing a vital role in influencing the consumer purchasing behaviour. Consumers get to know about the recent trend and fashion going on in the market, it also makes them aware of any new product that launches in the market [6]. They use social media to compare and know about the product authenticity before buying it [7-8].



Cosumer Insights: The spread of digital transformation in the businesses have enabled businesses to customize the products for the consumers. This was not possible in the offline shopping due to heavy cost it incurs. The Consumers are very well aware of the customization options available on various online shopping platforms which give them a personal touch to the product, and help them make is as per their need or requirement [9].

Reverse Showrooming: Due to digital transformation, reverse showrooming has become very common for few products like furniture. Consumers who are in search of certain type of product suppose furniture, first read about it online on various platforms, compare the prices, quality, material used etc [10]. they also check the retail showroom's option available through their online platforms, and then visit the store to just check the touch and feel of it, already knowing and equipped with all the details and availability of it.

2. Literature Review

In Jaya Mehrotra & Dr. Pallavi Kri. (Jaya Mehrotra, 2020) it states that in the digital transformation of businesses social media plays a vital role in today's area. Consumer purchasing behaviour is highly based on the consumer opinions and peer recommendations that are available on different social media platforms. Therefore, businesses are paying greater attention to social media marketing these days [11].

In Everlin, Robert and Lutz (Everlin Piccinini, 2015), it is discussed about the change in producer-consumer relationship that digitalization brought to the businesses. Due to the rapid shift in the businesses, it has become more consumer centric, as the expectations of the consumers have increased due to the option of customization of various products and services that is offered in order to meet the specific needs and requirements of the consumers.

In Yuliia Radzikowski (Radzikhovska, 2021) it states that after rapid digital transformation of businesses, being able to shop anywhere and anytime is the major reason for attraction towards

online shopping for all the generations. And there the businesses need to adapt marketing strategies accordingly. Online shopping had various consequences like it has increased boundaries of firms to expand on more global levels, it has increased competition among firms, reduced the barrier of entry and availability of more substitutes for the consumers.

In Diksha Dahiya and Ramesh Kumar Garg (Diksha Dahiya, 2023) it is focused on the increase in use of smart phones and influence of social media due to the digital transformation of businesses. It has also proved to be useful in establishing a good channel of communication with the consumers. It also stated that the effect of digital technology has spread across various sector of businesses.

In Tao, Zhan, Yi-Rong and Neng-Jun (Tao Zhang, 2021) talked about the invention of Artificial Intelligence, 5G, Big Data, Internet of Things and how it had let to an entirely new era of industrial transformation in the world.

3. Research Objective

- To study the consumer purchasing behaviour after digital transformation of business.
- To study about which product consumers prefer to buy online.
- To compare the consumer satisfaction level of online purchasing over offline purchasing.

4. Research Methodology

Research Design: The Study carried out with primary data collected through structured questionnaire from samples of 79 respondents from Patna, Bihar. The sample have been collected through online google form circulation using random sampling technique and was validated to took it further for analysis. The questionnaire is focusing on two medium of purchases one is offline and another is online which talks about the purchase behavior of the consumer along with the factors affecting their purchasing behavior.

5. Data Analysis and Interpretation

Demographic Profile:

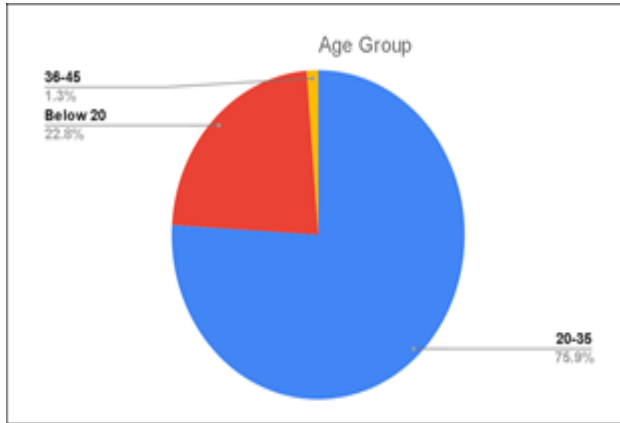


Figure 1 Age

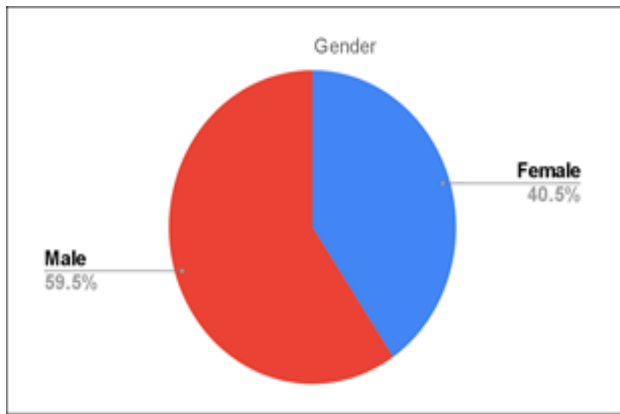


Figure 2 Gender

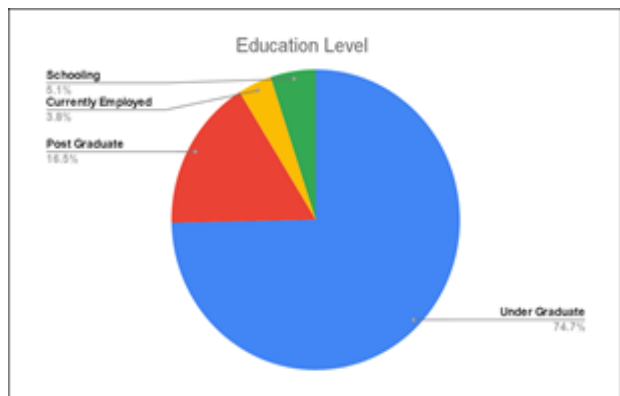


Figure 3 Education

The above demographic profile shows distribution of respondents on the basis of their age, gender and education level, that out of 79 respondents, majority of them belongs to the age group of 20-35 years (75.9% of the total respondents) and majority of them from undergraduate level in Figure [1-3].

How much do you prefer offline shopping?

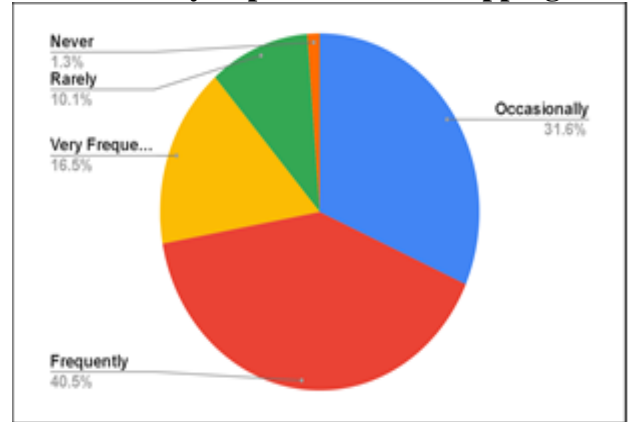


Figure 4 Analysis of how many respondents prefer offline shopping

Majority of the respondents go for offline shopping frequently. 31.6% of the respondents opted for occasionally whereas 10.1% of them chose rarely for offline shopping. Among all these there are 1.3% of the respondents who never go for offline shopping in Figure 4.

How much do you prefer online shopping?

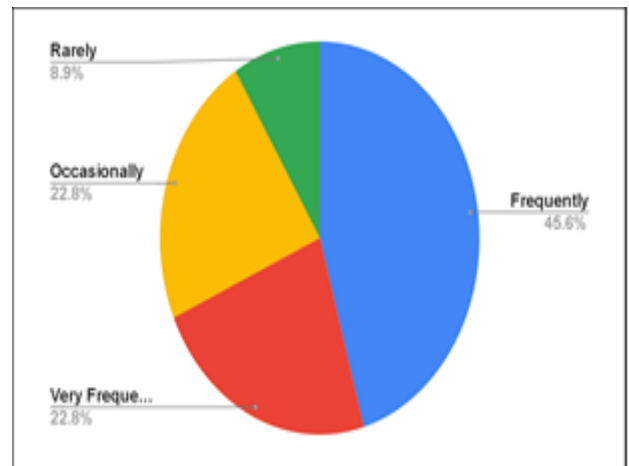


Figure 5 Analysis of How Many Respondents Prefer Online Shopping

Among all the respondents, majority of the respondents prefer to shop online frequently and 22.8% choose to shop online very frequently as well as occasionally. 8.9% of the respondents prefer shopping rarely. And there is not a single respondent

to never prefers to shop anything online in Figure 5.
How has your shopping behaviour changed after the digital transformation of businesses?

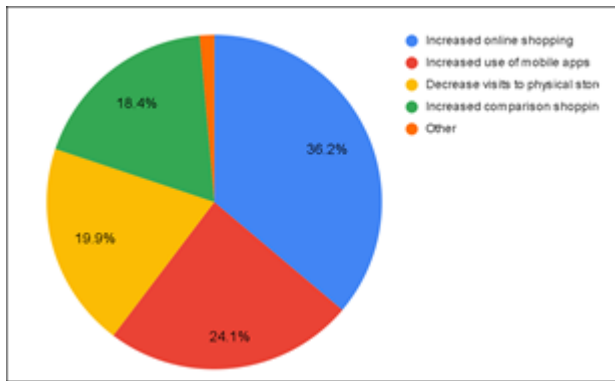


Figure 6 Analysis of the Changed Shopping Behaviour After Digitalization

After the digital transformation of the businesses, shopping behaviour of the respondents have drastically changed. 36.2% of the respondents have increased online shopping after digital transformation, 24.1% of the respondent have also increased the use of mobile phones, 19.9% have decreased their visits to physical stores, and 18.4% of the respondents have increased comparison shopping due to massive digitalization in Figure 6.

Which type of product you prefer to buy online more?

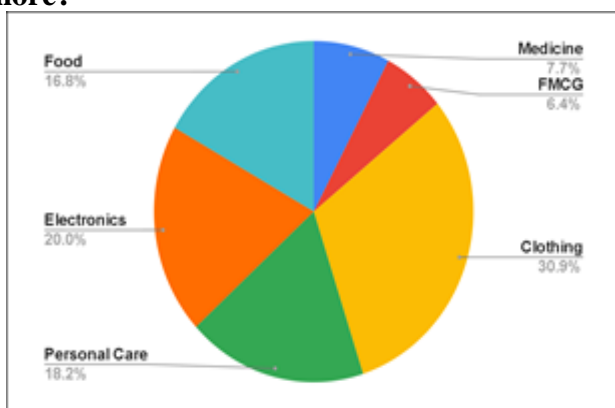


Figure 7 Analysis of Type of Product People Prefer to Buy Online

Majority of the respondents prefer to buy clothing items online. 20% of the respondents chooses to buy electronics online, and 18.2% buys personal care

online. Among the respondents, the next lot of 16.8% prefers to order food online. And 7.7% and 6.4% buys medicines and FMCG products online respectively in Figure 7.

Which social networking site you use mostly for searching information before any purchase?

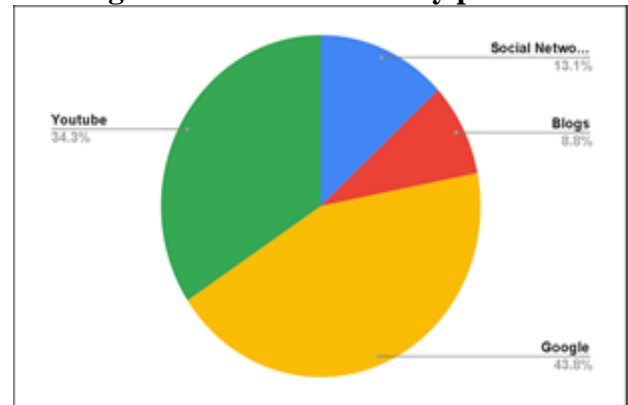


Figure 8 Analysis of Most Used Site for Searching Information Before Any Purchase

Majority of the respondents use google to search information about any product before buying it online. 34.3% of the respondents use YouTube as a search engine before making any purchase online. Rest 13.1% and 8.8% use other social networking sites and blogs respectively for searching information in Figure 8.

Which digital platforms/ channels do you use most for shopping?

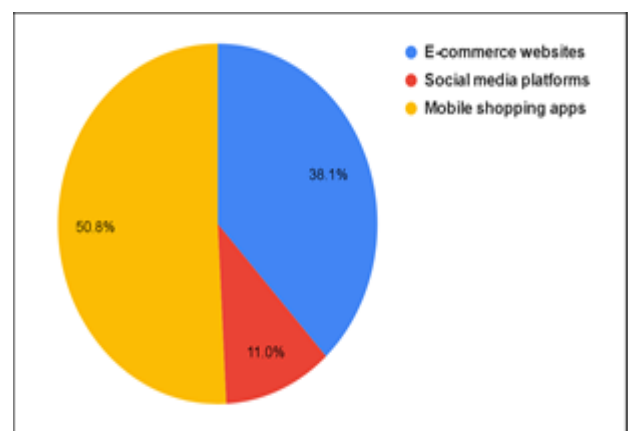


Figure 9 Analysis of the Digital Platform Mostly Used for Shopping Online

Half of the respondents i.e. 50.8% of them use various mobile shopping apps like amazon, Myntra, Flipkart etc. for shopping online. 38.1% prefers different E-Commerce websites, and the rest 11% prefers social media platforms for shopping for products online in Figure 9.

What factors make online shopping an option for you to shop?

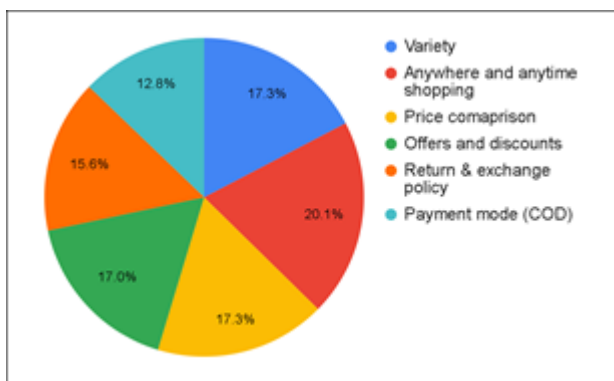


Figure 10 Analysis of Factors That Makes Online Shopping an Option to Shop

For majority of the respondents the option of shopping anywhere and anytime is a driving factor towards online shopping. For 17.3% variety and price comparison is the factor which makes online shopping an option for them. 17% of the respondents are attracted towards online shopping due to the offers and discounts available. For 15.6% and 12.8% of the respondents return and exchange policy and cash on delivery are the driving factors towards online shopping in Figure 10.

6. Major Findings

The above analysis shows that there is an upward trend seen in online shopping among the respondents after digital transformation of the business. Analyzed shopping behaviour depicts that this transformation has led to increased graph of online shopping, use of mobile apps and somewhere negatively affected the offline shopping. Major reason of this is the comparison available between online and offline shopping. 30.9% of the respondents mentioned that they prefer to buy

clothes online because of the variety and offers and discounts available to them and in this regard only 20% go for shopping electronics online. After these the next most preferred category to shop for online are personal care and food being 18.2% and 16.8% respectively. In this line only the categories like medicine and FMCG are least preferred by the respondents because these types of products do not have much price margin as compared to offline stores, and are more convenient. Before buying any product online, it is a very common behaviour to look for its review and get a detailed information about it. The most used platform for this according to the respondents is google, as it is most convenient and everything is just a click away. These days there are a lot of social media influencers who promote different kind of products and make a detailed video on it stating its features, price comparisons, use, drawback etc. and also give their honest review of the product and that justifies that YouTube is the next most used social networking site used by the respondents to extract information about any product before buying i.e. 34.3%. Few more options used for this purpose are different social media apps and blogs as well. (Duncan Brown, Influencer Marketing: Who Really Influences Your Customers? 2008) The major result of the change in consumer purchasing behaviour after digital transformation of business is the introduction of various new mobile shopping apps rapidly as well as people opening a 100% business that operates digitally using websites and social media having no physical existence. As a result of that 50.8% of the respondents use different mobile apps for shopping online like Myntra, Flipkart, Meesho, Amazon etc. 38.1% respondents also use E-Commerce website for shopping for the business which sell their product from their own websites. And the least number of respondents prefer social media platforms for the same. There are various reasons for the change in consumer purchasing behaviour of the Consumers after digital transformation of businesses. The convenience it provides to the Consumer, the availability of customization according to the need of the Consumer are the major



reasons. The respondents mentioned that the privilege to shop from anywhere and anytime is the major reason that drives the consumers towards online shopping. The other major reasons after this is the variety available to choose from and the price comparison that the consumers can do from different online platforms as well as also from offline stores before buying the product. The other factors are offers and discounts available, hassle-free return and exchange policy and the option of paying for the product once it gets delivered.

7. Managerial Implications

These findings form the basis for the small businessmen who prefer to sell goods online rather than investing a huge amount in infrastructure. Major factors available to the Consumers is the facility of anywhere and anytime shopping with a variety range of a product and comparison of prices available to them on different shopping apps. The businessman uses this opportunity and offers big discounts, smooth return and exchange policy, cashback offer, coupons, use of artificial intelligence to try the products through different social media networks. This introduction of artificial intelligence to try product on themselves on various shopping apps and websites attracts many consumers and also influence their buying decisions. The consumers can check how that product will look on them in real time using this feature, which is a great deal to offer for any business. Payments are done through secure websites and even facility of cash on delivery is available to the Consumers. Consumers now a days are preferring both the way of shopping whether it is online or offline so businessman can take opportunity to reach the mass of Consumers globally if they opt for doing their business online along with offline stores available. (Chung-Tzer Liu, 2008) Businessman has to keep in mind the 4P's of Marketing in their mind before they go for transforming their business from offline to online. (Dominic)

Conclusion

The study concludes that the change in consumer purchasing behavior following the digital

transformation of businesses, it can be concluded that digital transformation has had a significant impact on consumer purchasing behavior. It has revolutionized the way people shop and interact with businesses. The convenience factors play a huge role. With the rise of e-commerce platforms and mobile apps, consumers can now shop anytime, anywhere, without the hassle of physical stores. This has led to a shift in Consumer preferences towards online shopping. (Slideshare, 2023) Digital Transformation has empowered Consumers with more information and options. They can now easily compare prices, read reviews and make informed decisions. This has made consumers more discerning and demanding, as they expect personalized experiences and value for their money. Moreover, businesses that have embraced digital transformation have been able to provide seamless and personalized Consumer experiences. Through data analytics and AI technologies, companies can understand consumer preferences and tailor their offerings accordingly. This has resulted in increased Consumer satisfaction and loyalty. Lastly, social media and digital marketing have become powerful tools for businesses to engage with consumers. With targeted ads and influencer marketing, businesses can reach a wider audience and create brand awareness. The digital transformation of businesses had fundamentally changed Consumer purchasing behavior. It has brought convenience, information, personalization, and engagement to the forefront. As businesses continue to grow in the digital landscape. It's crucial for them to adapt and accommodate to the changing needs and expectation of consumers. (Linkedin, 2023)

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