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Impact of Digitalization on Purchase Decision of Electronic Goods

Dr. Shilpi Saxena[1], Ms. Apurva Joshi[2]
[1]*Assistant Professor, Selection Grade, School of Commerce, IIS (Deemed to be University), Jaipur*
[2]*Research Scholar, School of Commerce, IIS (Deemed to be University), Jaipur*

Abstract: ***Digital transformation empowers individuals by saving time and money. It diminishes geographical barriers and fosters closer connections among people globally. Now, acquiring products or services doesn't require a physical visit to a store; a simple online click suffices. To engage with potential clients, organizations are leveraging digital mediums, facilitating their access to a broader audience. This ease allows customers to effortlessly compare products in terms of quality and price, while the availability of products further influences their purchasing choices. This research study explores the impact of availability of digital information on customer purchasing behaviour, focusing on key factors such as the reliability of online information, the accessibility of websites, and the effectiveness of digital communication channels in persuading customers to make purchases decision. The study is conducted with a sample of 208 participants. Regression analysis was used to draw findings of the study.***
Keywords: Digital information, purchases decision, purchasing behaviour, Regression analysis, etc.

I. INTRODUCTION

A. Digital Era

In the digital era, consumer purchasing behaviour has undergone a profound transformation, reshaping the dynamics of the market compared to the past. The advent of digital technologies has revolutionized how consumers interact with businesses, make purchasing decisions, and engage with products and services. One of the most significant changes is the shift towards online shopping platforms, which offer unparalleled convenience and accessibility. Consumers now have the ability to search products, compare prices, read reviews, and make purchases from the comfort of their homes or on the go, fundamentally altering the traditional brick-and-mortar shopping experience.

This shift to digital channels has also led to a democratization of information, empowering consumers with greater knowledge and transparency. With a plethora of information available at their fingertips, consumers are more informed and discerning than ever before. They can easily access product information, customer reviews, and expert opinions, allowing them to make more informed purchasing decisions. As a result, businesses must prioritize transparency, authenticity, and customer satisfaction to thrive in this competitive landscape.

Furthermore, the rise of social media and digital marketing has transformed how businesses engage with consumers. Social media platforms serve as powerful tools for building brand awareness, fostering customer relationships, and driving sales.

B. Digital Marketing

Digital marketing has become indispensable in modern commerce. It enables consumers to access a wide array of products and services from the comfort of their homes, offering numerous payment options, including credit facilities, without the need to physically visit a store. Digital platforms not only save time and money but also enhance the shopping experience by providing detailed product information, reviews, and comparisons. For organizations, digital marketing is a powerful tool to reach potential customers worldwide, allowing for a broader customer base and more effective engagement strategies. In today's global market, digital marketing is a key player, making the buying process more accessible and efficient for consumers everywhere.

C. Technological Advancement

The advent of technology has transformed business operations, enabling companies to connect with a wider audience more efficiently and economically. In today's digital era, companies are increasingly turning to consumers for innovation, insights, and real-time feedback on their products and services. This approach is not only about staying competitive but also about understanding consumer desires and needs. The goal is to address these needs in the most cost-effective and efficient way possible. The customers wield greater control, having the ability to compare products, assess quality, review prices, and select from diverse payment options.

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Thus, digitalization offers mutual advantages to both companies and consumers. Critical elements such as the dependability of online information, the ease of navigating websites, and the efficacy of digital communication channels significantly sway consumer decisions towards making purchases via digital platforms.

D. Purchase Behaviour

Consumer Buying Behaviour is a complex process encompassing the actions individuals undertake before purchasing a product or service, whether through traditional offline means or via online platforms. This process is multifaceted, involving activities such as browsing search engines, engaging with dynamic social media content, or a combination of various other actions. For businesses, comprehending this intricate process holds immense value as it allows them to tailor their marketing strategies effectively to match the behaviours that have previously influenced consumers to make purchases. One of the driving factors behind consumer decisions is their sensitivity to price and their perception of value, prompting them to explore new brands and shopping avenues. This insight, highlighted by Barchet (2020), underscores the importance of understanding and catering to consumer preferences. Moreover, a myriad of factors influences consumer buying behaviour, ranging from cultural and social aspects to personal and psychological factors. Cultural factors extend beyond nationality to include associations, religious beliefs, customs, and geographical location, shaping individuals' perspectives on products and services. Social factors within an individual's environment influence their perceptions of products and capture their attention towards particular offerings. Personal characteristics such as age, marital status, budget, and personal values play a significant role in shaping consumer decisions. Additionally, psychological factors, including the consumer's mental state when encountering a product or service, deeply impact their feelings and perceptions, not only about the item itself but also about the brand as a whole. Understanding and addressing these diverse influences are crucial for businesses aiming to effectively engage with and meet the needs of their target consumers.

Consumer Purchase Behaviour encompasses the steps consumers take before purchasing a product or service, whether offline or online. This process can include searching on search engines, interacting with social media posts, or a mix of various actions. Understanding this behaviour is crucial for companies, as it enables them to tailor their strategies more effectively, fostering growth and development. Price sensitivity and perceived value continue to be the main factors that encourage consumers to experiment with new brands and shopping venues or modes. (Barchet, 2020).

The consumer decision-making process encompasses five stages, which are significantly influenced by digitalization from the very beginning:

Problem Recognition or Need Recognition: Digital platforms play a crucial role right from the moment a consumer identifies a need or a problem. The ease of accessing information online helps consumers realize their needs more quickly.

Information Search: The digital era facilitates effortless information gathering. Consumers can easily research products and services online, saving both time and money in the process.

Evaluation of Alternatives: Digital platforms offer a seamless comparison of different products and services. Consumers can evaluate alternatives based on quality, price, and other criteria, often benefiting from discounts and detailed product information available online.

Purchase Decision: The convenience of digital platforms, including user-friendly websites and e-commerce portals, simplifies the decision-making process, enabling consumers to make purchases with just a few clicks.

Post-Purchase Evaluation: Digital marketing and online platforms also play a crucial role after the purchase. Consumers have the opportunity to share feedback, read reviews, and interact with brands for support, influencing future buying decisions.

Overall, the digital era has profoundly impacted consumer purchasing behaviour and revolutionized the market landscape. Businesses must adapt to these changes by embracing digital technologies, prioritizing customer-centric strategies, and leveraging data-driven insights to stay competitive in today's dynamic marketplace.

II. REVIEW OF LITERATURE

A. Role of Social Media and Digital Marketing

Social media and digital marketing have emerged as critical influencers of consumer buying decisions. Gensler et al. (2015) highlighted the role of social media in shaping consumer perceptions and decisions through user-generated content, reviews, and influencer endorsements.

Digital marketing strategies, including personalized advertising and targeted promotions, significantly impact the purchase decision stage by influencing consumer preferences and choices (Li et al., 2020).

B. Digital Platforms and Information Accessibility

Digital platforms have dramatically enhanced the accessibility of information, fundamentally altering how consumers approach the buying process. Hossain and Shin (2019) noted that the ease of accessing detailed product information and reviews online enables consumers to make more informed decisions. This increased access to information not only empowers consumers but also intensifies competition among businesses (Kumar et al., 2020).

C. Advertisement

(Nikhil Monga,2020) talked about how ads that target young people need to be interesting and make them think. He said that using famous people in these ads can help, but they have to be the right ones who young people like and look up to. The message of the ad needs to be clear and grab the viewers' attention. The content should be good but not too obvious about trying to sell something. Also, showing the ads at the right time is important, so they match what the audience is interested in. (Veena Tripathi, 2016) found that social media is really important for young people. It can be great for businesses, but there should be rules to make sure it's used responsibly. They shouldn't trick young people into buying things without them knowing it. (P. Ranjith, 2016) studied how digital channels affect how satisfied customers are, but they don't really change what people think about buying things. He thinks that in the future, digital channels will become even more important for influencing what people buy.

D. Consumer Decision-Making Process

The traditional consumer decision-making model has been expanded by digitalization, which introduces new stages and behaviours. Smith and Chang (2014) discussed how digital tools facilitate the initial stages of need recognition and information search, allowing consumers to rapidly gather data from diverse sources. Meanwhile, Zhou et al. (2018) focused on the evaluation of alternatives, emphasizing how online platforms provide a venue for comparing prices, quality, and features across a wide range of products.

E. Customer Reviews and Post-Purchase Behaviour

Post-purchase behaviour has also been transformed by digitalization, with customer reviews becoming a pivotal factor in future buying decisions. Chevalier and Mayzlin (2016) demonstrated that online reviews significantly affect product sales, indicating that consumers heavily rely on peer feedback when evaluating products. This feedback loop not only affects individual purchase decisions but also shapes the overall brand reputation (Anderson, 2016).

F. Growth Opportunities

Digitalization brings both benefits and challenges for consumers and businesses. Martin and Murphy (2017) point out that while it offers many opportunities, privacy worries and information overload can make decisions harder for consumers. Additionally, the digital divide means not everyone has the same access to digital tools, which can hold back some groups (Van Dijk, 2019). Dr. James Seligman (2020) stresses the need to understand customers, especially during tough times. He suggests focusing resources where risks are lowest, emphasizing the value and trustworthiness of products or services, and turning these insights into practical plans. Dr. Saraswathi Moorthy (2020) talks about how important it is for online retailers to understand how people shop, especially during global crises like the pandemic. They need to focus on safety measures like social distancing to improve the online shopping experience, reducing the need for people to go out and lowering the risk of spreading the virus. Alok Kumar et al. (2020) note that younger consumers dominate the market and are big fans of online shopping. They're well-informed about terms and policies and prefer online platforms for post-sales products and services. Digital marketing works well for them, and they're generally satisfied with their online shopping experiences.

III. RESEARCH GAP

After examining several research papers, it has become evident that there are gaps in the study of customer purchase behaviour concerning the availability and convenience of digital information, access to digital platforms, and reliance on the internet. While existing research provides insights into customer behaviour in the digital landscape, there's a need for further exploration into how the availability and accessibility of digital information influence purchasing decisions. Understanding how customers navigate through vast amount of online information and how they prioritize different sources could provide valuable insights for businesses seeking to tailor their marketing strategies effectively.

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IV. RESEARCH METHODOLOGY

The research work is exploratory in nature. It is conducted in Jaipur with a sample size of 208 respondents. Target group for the study is middle to higher-income customers base of Jaipur. Utilizing a convenience sampling method respondents in sample were approached. The primary data was gathered, encompassing both online and offline channels by means of a structured questionnaire. SPSS software was utilized for data analysis. Data was analysed by using simple regression technique. For regression, independent variable is digitalization which is measured in terms of easy accessibility of information about the products and product as well by digital platforms and the dependent variable taken is purchase behaviour for electronic goods. The scope of study is limited to purchase of electronic goods only based on information gathered through digital platforms.

V. OBJECTIVE OF THE STUDY

To examine the impact of digitalization on customer purchase behaviour.

A. Hypothesis

Ho: There is significant impact of digitalization on customer purchase behaviour**.**
Ha: There is no significant impact of digitalization on customer purchase behaviour**.**

VI. DATA ANALYSIS & INTERPRETATION

Regression analysis is a statistical test that allows defining the effect of the independent variable over the dependent variable. The dependent variable is most of the time the outcome that a researcher intends to find out. Regression analysis helps in predicting the effect of the independent variable on the dependent variable and by what amount to be exact **(Sarstedt, M., & Mooi, E., 2014).** In the present study, dependent variable is purchase behaviour towards electronic goods of respondents and independent variable is digitalization which is measured in terms of easy accessibility of information about the products and product as well by digital platforms. Tables below shows the result of regression analysis applied in the study.

The first table of interest is the Model Summary table, as shown below:

Table 1: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.023[a]	.001	-.004	.37297

a. Predictors: (Constant), Convenience
b. Dependent Variable: Purchase Behaviour

This table provides the R and R^2 values. The R value represents the simple correlation between variables and is 0.023 over here. Next column in the table represent value of R^2 i.e. coefficient of determination. The R^2 value (the "R Square" column) indicates how much of the total variation in the dependent variable (Purchase behaviour), can be explained by the independent variable (digitalization). The above table shows value of R^2 as 1%. It can be interpreted as 1% of variation in purchase behaviour is caused due to digitalization.

Table 2: ANNOVA

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.015	1	.015	.110	.05[b]
	Residual	28.657	206	.139		
	Total	28.672	207			

a. Dependent Variable: Purchase Behaviour
b. Predictors: (Constant), Convenience

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The ANOVA table in regression reports how well the regression model is fits for prediction (i.e., predicts the dependent variable). In the table 2 above, the value of p=0.05 which indicates the regression model which is taken in the study is fit for prediction.

Table 3: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.162	.358		11.617	.000
	Convenience	.027	.081	.023	.332	.040

a. Dependent Variable: Purchase Behaviour

The Coefficients table helps in making the regression equation which can be used in future for prediction. The regression equation for this study is as follows -

Y (Purchase Behaviour) = 4.162 + 0.027 (Digitalization)

VII. CONCLUSION

The study aims to investigate how digitalization affects customer purchasing decisions for electronic goods. The findings revealed that the information accessible on online platforms significantly influences customers' decisions to buy electronic goods. This indicates that digital channels play a vital role in shaping customer behaviour towards purchasing various products or services. Customers place trust in online information, which aids them in making informed decisions about buying products or services. Result of regression analysis shows the impact of digitalization on purchase decision but the impact is found to be very small. Thus it could be concluded that there are many other factors like price, product quality along with digitalization which affects the purchase decision of consumers.

VIII. IMPLICATION OF THE STUDY

The study has profound implications for businesses and marketers. It provides actionable insights into how consumers engage with digital channels during the buying process, guiding the development of effective digital marketing strategies and customer experiences. By understanding which digital platforms and tools resonate most with customers, businesses can optimize their online presence, personalize marketing efforts, streamline the purchasing journey, and ultimately drive higher conversion rates. Additionally, such research can inform investments in digital infrastructure, data analytics capabilities, and talent development, enabling companies to stay competitive and responsive to evolving consumer preferences in the digital age. Overall, the study provides valuable insights that can guide businesses in leveraging digital technologies to enhance customer experiences, drive sales, and stay competitive in a rapidly evolving digital landscape.

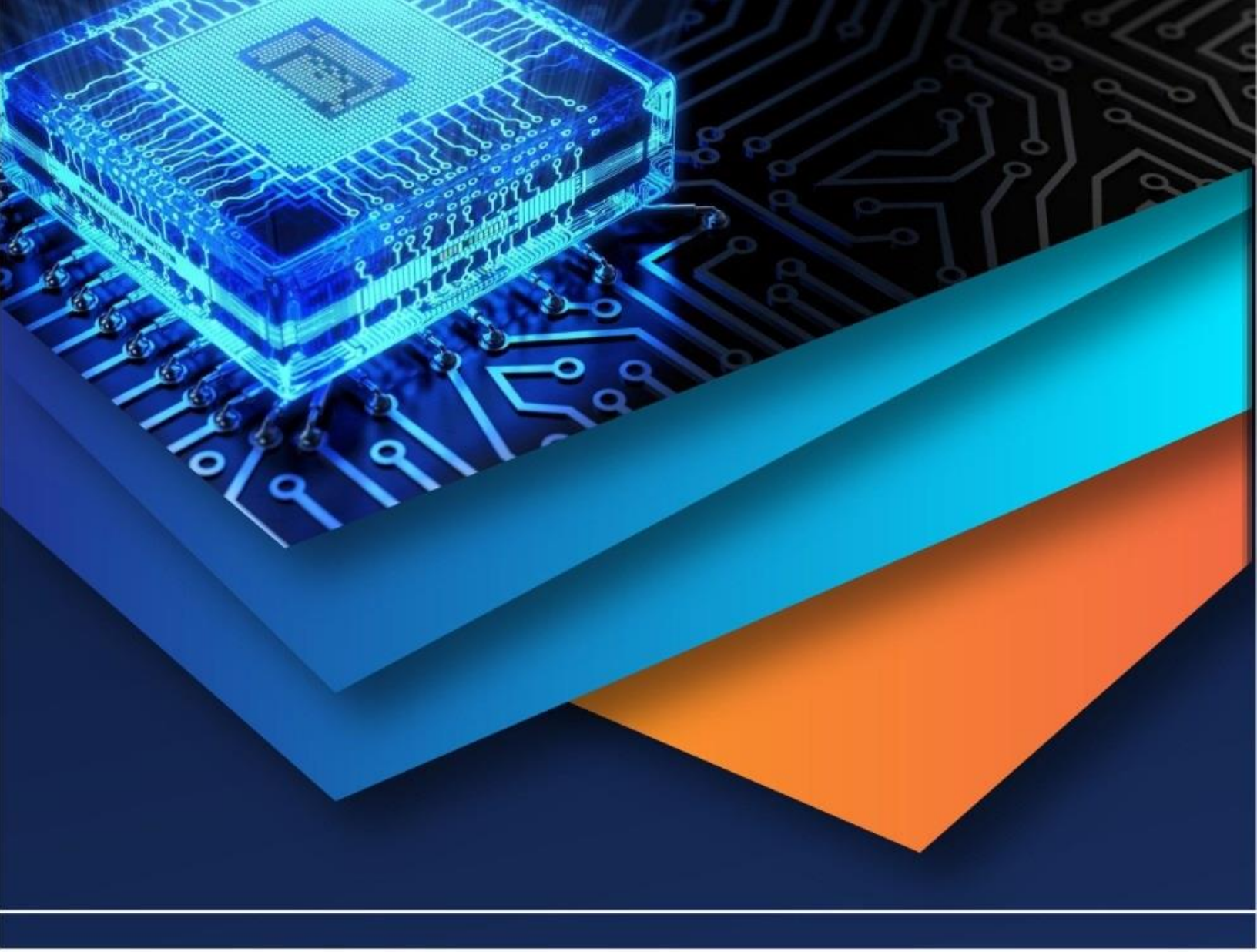
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