A STUDY ON ONLINE MARKETING

AND CONSUMER BEHAVIOUR

DISSERTATION

Submitted in Partial Fulfillment of the Requirement for
The Award of the Degree of

MASTER'S PROGRAMME IN FASHION DESIGNING

BY
TWINKLE ROSE
(Register Number: SM16MFD002)

DEPARTMENT OF FASHION DESIGNING
ST. TERESA'S COLLEGE (AUTONOMOUS)
ERNAKULUM

APRIL 2018

A STUDY ON ONLINE MARKETING

AND CONSUMER BEHAVIOUR

DISSERTATION

Submitted in Partial Fulfillment of the Requirement for
The Award of the Degree of

MASTER'S PROGRAMME IN FASHION DESIGNING

BY
TWINKLE ROSE
(Register Number: SM16MFD002)

DEPARTMENT OF FASHION DESIGNING
ST. TERESA'S COLLEGE (AUTONOMOUS)
ERNAKULUM

APRIL 2018

Signature of the	**Signature of the**
External Examiner	**Internal Examiner**

A STUDY ON ONLINE MARKETING

AND CONSUMER BEHAVIOUR

DISSERTATION

Submitted in Partial Fulfillment of the Requirement for
The Award of the Degree of
MASTER'S PROGRAMME IN FASHION DESIGNING

BY
TWINKLE ROSE
(Register Number: SM16MFD002)

DEPARTMENT OF FASHION DESIGNING
ST. TERESA'S COLLEGE (AUTONOMOUS)
ERNAKULUM

APRIL 2018

CERTIFIED AS A BONAFIDE RESEARCH WORK

Signature of the   **Signature of the Guide**
Head of the Department

CERTIFICATE

I hereby certify that the dissertation entitled '**A study on online marketing and consumer behaviour'** submitted in partial fulfillment of the requirement for the award of the Degree of **Master's Programme in Fashion Designing** is a record of original research work done by Mrs. Twinkle Rose during the period of her study under my guidance and supervision.

Signature of the HOD   **Signature of Research Guide**
                                            Smt. Lekha Sreenivas
                          Centre Coordinator and Associate Professor,
                                   Department of Fashion Designing,
                                            Women's Study Centre,
                                   St. Teresa's College [Autonomous]

DECLARATION

I hereby declare that the matter in this dissertation entitled **A study on online marketing and consumer behaviour''** submitted in partial fulfillment of the requirement for the award of the Degree of **Master's Programme in Fashion Designing** is a record of original research work done by me under the supervision and guidance of **Smt. Lekha Sreenivas**, Centre Coordinator, Department of Fashion Designing, Women's Study Centre, St. Teresa's college [Autonomous], Ernakulam and that the thesis has not previously formed on the basis for the award of any degree work has not been submitted in part or full or any other degree/diploma/associate ship/fellowship or the similar title to any candidate of any other university.

Place: **TWINKLE ROSE**

Date:

<u>ACKNOWLEDGEMENT</u>

<u>ABSTRACT</u>

Online shopping is the process of buying goods and services from merchants who sell on the Internet. Since the emergence of the World Wide Web, merchants have sought to sell their products to people who surf the Internet. Shoppers can visit web stores from the comfort of their homes and shop as they sit in front of the computer. Consumers buy a variety of items from online stores. Online marketing has gained a lot of importance in present marketing conditions. The study aims to know the awareness of online shopping and consumer behaviour and satisfaction towards online shopping. The information was gathered via questionnaire and results were analyzed. The study conducted shows that only a few are interested in online shopping. Majority of people are not interested due to problems they faced during purchasing. Only few consumers are satisfied with their purchasing. The decision making process is always up to consumers perception.

Keywords: online marketing, awareness, consumer behaviour

LIST OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF GRAPHS

INTRODUCTION

INTRODUCTION

Web has risen as a stage to encourage worldwide business and correspondence. Its exponential development has changed the esteem chain of which all purposes of each industry, and a large number of businesses are currently working together on the web.

there were various approaches to publicize products in various media, for example, radio, television, daily news paper, magazines, and by means of telemarketing or flyers. Generally the objective was to get an organization as well as item name, an announcement and so on conveyed to whatever number of individuals as could be allowed at the least cost conceivable.

At the point when Internet emerged, various inquiry choices emerged. Organizations had the choice to publicize themselves on a bigger scale, because of e-promoting the goods, it came into notice on a large scale and numerous organizations were accepted to have incredible esteem, and subsequently exchanged their stock and traded at remarkably higher rates. Web showcasing, or web based promoting, alludes to publicizing and advertising endeavors that utilizes the Web and email to coordinate deals by means of electronic business, by not loosing potential customers from sites or messages.

Internet shopping is the procedure whereby purchasers directly purchase products and assistance from a dealer progressively without the hindrance of middlemen over the Internet. Web based shopping is the way toward purchasing products and assistance from vendors who sells on the Internet. Since the development of the World Wide Web, vendors have looked to pitch their items to individuals who surf on Internet. Customers can visit web stores from the solace of their homes and shop

as they sit before the hardware device used by them. Buyers purchase an assortment of goods from online stores.

The wide utilization of Internet and the quick development of innovation have made another market for both the clients and business. Presently todays Internet is not simply one more medium to connect with clients, however it is an essential channel to discover potential clients and also to maintain the association with existing clients.

Basically, the possibility of web based shopping is to lead clients to a helpful method of shopping. Clients will have the capacity to utilize their leisure time and disposable income; in addition to recover all saved data regarding products, which is a click away. Also, buying should be possible at anyplace, at any moment according to their buying priorities.

Online marketing, which is also called Internet marketing or online, advertising, is any tool, strategy or method of getting the company name out to the public. The advertisements can take many different forms and some strategies focus on subtle messages rather than clear-cut advertisements (Dec 10, 2013)

The goal of online marketing is to spread awareness about a business and its products, or services via the Internet. Internet marketing encompasses a variety of different strategies, including search engine optimization (SEO), pay-per-click advertising, reputation management and both social media and content marketing (SEP 23, 2014)

1.1 PURPOSE OF STUDY

The purpose of study of the research was to study online marketing and consumer behavior. The main research question in this thesis is how consumers behave while shopping online. Primary data was collected via the questionnaire.

Consumer behavior influences factors like website, visibility, credibility, information, payment security, privacy, convenient time, value for money, fashion and experience of network. Culture, social, personal, psychological behavior also affects the consumer behavior in online shopping. Online shopping is based on individual-to-individual perceptions.

OBJECTIVES OF STUDY

➢ To know the awareness of online shopping in Ernakulam city.
➢ To know Consumer behavior and satisfaction in online shopping.
➢ To know how the process of decision-making is influenced in a consumer.

REVIEW OF LITERATURE

- **THEORETICAL REVIEW**
- **RESEARCH REVIEW**

2.1 THEORETICAL REVIEW

2.1.1 INTRODUCTION TO ONLINE MARKETING

The Internet has emerged as a platform to facilitate global commerce and communication. Its exponential growth has transformed the value chain of virtually every industry, and millions of commercial business is now doing business online.

According to etymologists, the term 'marketing' first appeared in dictionaries in the sixteenth century where it referred to the process of buying and selling at a market. The contemporary definition of 'marketing' as a process of moving goods from producer to consumer with an emphasis on sales and advertising first appeared in dictionaries in 1897. The term, marketing, is a derivation of Latin word, *mercatus* meaning market place or merchant.

The publication, in 1960, of Robert Keith's article, "The Marketing Revolution", was pioneering work in the study of the history of marketing practice. And, in 1976, the publication of Robert Bartel's book, *The History of Marketing Thought,* marked a turning point in the understanding of how marketing theory evolved since it first emerged as a separate discipline around the turn of last century.

"*(...) are likely to continue as marketing and advertising are increasingly peopled with individuals for whom the internet, e-bay, Amazon, Google, and YouTube were always there and which played some role in forming their worldviews, just as television, film, radio, and print did for prior generations*"(Rappaport 2007)

The specialty of Internet advertising includes finding the web based promoting techniques that interests the specific market and which will be converted into deals. The advantage of online marketing is to pick the suitable web portal and also analysis different display techniques.

Web based advertising utilizes web to convey limited time buying offer messages to buyers. It incorporates email marketing, web index promoting, web-based social networking, numerous sorts of show publicizing (counting web pennant promoting), and portable publicizing. Like other publicizing media, web based promoting as often as possible includes both a distributer, who coordinates commercials into its online substance, and a promoter, who gives the ads to be shown on the distributer's substance. Other potential members incorporate advertising offices that assists to create and put the promotion copy, an advertisement server who mechanically conveys the advertisement and tracks statistics, of publicizing partners who do autonomous limited time work for the promoter.

The web has developed as a stage to encourage worldwide business and communication. Its exponential development has changed the esteem chain of essentially every industry, and a many great businesses are presently working together on the web.

Web marketing, or web based promoting, alludes to publicizing and showcasing alludes to promote endeavors that utilize the web and email to drive coordinate deals by means of electronic business, without working prospective customers from site or messages, web marketing and web based publicizing endeavors are commonly promoting goods and. The traditional techniques like radio television, daily newspaper and magazines.

Web marketing can additionally be separated into more particular territories, for example, web marketing, email marketing and social media advertising.

E-marketing figures out how to advance the item all over the globe with the goal to snatch the required mark in a short interim of time. Scholastics recommend that e-

showcasing strategies are observed to be compelling in this period as clients are more identified with the innovation this is the reason e-advertising underpins in the brisk extension of item.

An organization that needs to advertise their products online can build up an online store by developing a website. These stores typically comprise of a few divisions in which the merchandize are sorted out as need based. The consumers may see the picture of the item, thing of interest, materials and so on and so forth if the customers adds the item to his or her virtual shopping basket, which are normally given as an option to proceed shopping or proceed to checkout. Once the customer proceeds to checkout, the credit transaction is completed and the item is arranged and dispatched from the seller to the buyer.

Web based shopping is a developing zone of innovation. Building up a store on the web, takes into account retailers to grow their market and connect with shoppers who may not generally visit the physical store. The convenience of web based shopping is the fundamental fascination for the buyers. Novel online installment frameworks offer simple and safe acquiring from different people. The advantages of shopping on the web additionally accompany potential dangers and perils that buyers must know about. In future, we can anticipate that online stores will enhance their innovation immensely, taking into consideration a less demanding and more practical shopping knowledge.

Numerous physical retail locations have extended their market by utilizing the web. By having both a virtual store and a physical store, organizations outwit the both worlds. Stores that are promoting their items in the both zone can exploit the appeal for internet shopping accessibility. The capacity to look for items online gives

shoppers the alternative to buy products off of the web with the comfort of not notwithstanding leaving his or her home. Others; be that as it may, in any case appreciate and like to go into a physical store to make buys. For a few buyers their techniques for buy isn't a result of an inclination but since of age hole.

2.1.2 IMPORTANCE OF ONLINE MARKETING

Web based advertising reflects to an arrangement of intense devices and techniques utilized for advancing items and administrations through web. Web based advertising incorporates a more extensive scope of promoting components than customary business marketing because of the additional channels and advertising instruments accessible on the web.

Following are couple of particular added to the development of web based promoting

- Online showcasing can convey a few advantages, for example,

☐ potential in growth

☐ Reduced costs

☐ elegant correspondence

- ☐ Better control

- ☐ Improved client benefit

- ☐ Competitive benefits

Web based advertising is otherwise called Internet marketing, Web promoting, advanced marketing and search engine marketing (SEM).

If one has a physical store, one knows goodwill is vital in acquiring clients. That is the reason why web based marking is key.

Com Score reports the normal American burns through 32 hours online consistently. 42% of Americans report sitting in front of the TV while perusing the Internet. Having predictable informing crosswise over various mediums strengthens your qualities and brand. Disconnected strategies will frequently bring about bigger online outcomes.

Forbes Magazine reports retail is down and web based business is up. One clear case of the energy of web based business originates from Macy's current returns. Forbes reports the 154 year old retail cutting tool online deals rise 40% out of 2011 while same-stores deals became only 5.3%. Perhaps you're not a billion-dollar efficient Macy's, but rather the numbers don't lie. Online deals are overwhelming retail deals.

Safe to state online business is inclining upward more every year. It's not very late to bounce locally available the online business prepare.

In the past times, purchasing a daily paper advertisement was one approach to achieve potential clients, yet now, daily paper course is diminishing drastically. However a full or even half-page advertisement in a nearby paper could in any case run you a huge number of dollars and may not achieve your intended interest group.

Web investigation instruments enable you to track significant measurements and offer you the chance to settle on educated business choices on information and not simply suppositions. In light of information, one can decide the real ROI of the online crusades. On the off chance that these are not meeting desires then the information furnishes with the justification to end the crusade.

The Internet has no "business" hours. It's open every minute of every day/365. That enables you to advance, to connect with and, above all, to offer all day and all night. As specified above, conventional media promoting (like daily paper and TV) may cast a wide net yet is constrained in scope. Web based showcasing is additionally a period and cash saver in different ways.

The multiplication of web-empowered cell phones has done nothing, however quickens this improvement. It's never again even required that you be at a work area to get to the web. Regardless of whether clients are sitting in rush hour gridlock, running in the recreation center or having during supper, they approach organization's site and the internet promoting.

2.1.3 HISTORY OF ONLINE MARKETING

Considering the present volume of web showcasing business, it's difficult to trust how youthful the web commercial center is. While the timetable of web has been short, the aggregate occasions paving the way to where we are currently have affected the whole globe speedier than any advertising upheaval ever. In 1994, spending for web marketing totaled almost nothing, yet expanded to over $300

million of every 1995. Presently, minimal over 10 years after the fact, showcasing spending and web promoting business has detonated to about $200 billion (as per Forrester Research). Today, it's difficult to have confidence in having an association, which doesn't have some sort of online nearness.

At the point when the web was first presented in the mid 90s, it wasn't thought to be a publicizing medium by any means. Rather, the web was dealt with as a device for trading messages and advanced data, yet wasn't yet viewed as profitable for achieving clients. Be that as it may, it wasn't some time before showcasing pioneers started to see the potential for web advertising business as a large number of web surfers signing on every day to discover significant and pertinent data. Inside only a couple of years, useful and instructive showcasing, and also graphically luring standard advertisements started to be appear. It wasn't some time before comes about started to surge in which demonstrated the estimation of the web commercial center to even the most distrustful sponsors.

In particular, organizations, which had been spending immense lumps of their promoting, spending plan on disconnected rundown building, start to understand that they could achieve a similar thing by means of email and for significantly less. It wasn't well before everybody from industry mammoths, for example, Microsoft Corp. to private companies started to manufacture organization locales and spend advertising dollars to draw in qualified rush hour gridlock. Next, web index organizations like Yahoo! Started to make noteworthy benefits from promoting alone.

At that point came the colossal web promoting business bust around the time of 2000, which denoted the start of the end for interruptive advertising, for example, blazing standard advertisements. As intelligent highlights were added to website

pages, shoppers were given the alternative of killing advertising messages voluntarily and they did. At that point entered the time of instruction based invitational advertising, which solidified with the making of web 2.0 innovations. All of a sudden, billions of "voices" started to rise everywhere throughout the world, as the web commercial center moved toward becoming as much a worldwide group as it was a promoting medium. This prompted a social based showcasing approach which has prompted a standout amongst the most lucrative open doors for solo business visionaries and little new companies alike to make a little fortune working from their extra room. Who knows where the web advertising unrest will lead us, however one this is without a doubt: Those who comprehend the standards whereupon the flourishing web commercial center is assembled will in all probability never need for chances to make web promoting business achievement and to gain strong salary.

2.1.4 ADVANTAGES OF ONLINE MARKETING

A standout amongst the most imperative points of interest is the quick accessibility of the data. The customers/clients can without much of a stretch get data, by exploring the web, about the items that they wish to buy, what's more that, they can check the data at whenever of the day.

It enables the organizations to spare cash, a viewpoint that is extremely considered by the organizations since the web based promoting efforts don't require a lot of venture.

The past-specified angle, gives less significance to the contrasts amongst vast and little organizations somehow, consequently expanding the opposition and giving that route focal points to the clients.

Nearness on the Internet can help the development of the organization from a neighborhood market to national and global markets in the meantime, offering relatively interminable extending conceivable outcomes.

On the web everything can be estimated, in this way it's less demanding for the organizations to know in a flash if their crusade is working or not, what organization or client is keen on their items, from what urban areas or nations are they, and so forth.

2.1.5 DISADVANTAGES OF ONLINE MARKETING

1.Moderate web associations can cause challenges. On the off chance that the organizations fabricate excessively unpredictable or too expansive sites, it will take too yearn for clients to check them or download them and they will get exhausted in the long run.

2. The Internet business doesn't permit the client "to touch" the stock before acquiring it. Along these lines, some business people are beginning to ensure the likelihood of restoring the item. In Germany, where a law that controls online business and ensures the clients the aggregate discount of the cash exists since 2000, the electronic trade is exceptionally mainstream.

3. Other factor is the installment: numerous clients still don't confide in the electronic strategies for paying and surrender purchasing on the web along these lines.

4. One of the real detriments might be the absence of trust of the clients in view of the consistent virtual advancements that give off an impression of being cheats. This is an angle that decays the picture and notoriety of value and genuine organizations.

5. Other inconvenience is the money down framework, since it doesn't ensure the 100% buy of the item. This is likewise the instance of thousands of clients that commit themselves to every day taunt enormous organizations by requesting on the web utilizing false personalities.

2.1.6 MARKETING CONCEPT

The 'showcasing idea' suggests that with a specific end goal to fulfill the hierarchical targets, an association ought to foresee the requirements and needs of purchasers and fulfills these more successfully than contenders. This idea began from Adam Smith's book The Wealth of Nations, however would not turn out to be generally utilized until about 200 years after the fact. Promoting and advertising ideas are specifically related.

Given the centrality of client's needs and needs in advertising, a rich comprehension of these ideas is basic.

Needs: something essential for the general population to carry on a solid, steady and safe life. At the point when needs stay unfulfilled, there is an unmistakable unfriendly result: a brokenness or demise. Necessities can be objective and physical, for example, the requirement for nourishment, water and shield; or subjective and mental, for example, the need to have a place with a family or social gathering and the requirement for confidence.

Needs: something that is wanted longed for or yearned for. Needs are not basic for essential survival and are frequently molded by culture or associate gatherings.

Requests: when needs and needs are upheld by the capacity to pay, they can possibly wind up financial requests.

Client needs are key to advertise division, which is worried about isolating markets into unmistakable gatherings of purchasers based on "particular needs, qualities, or practices who may require isolate items or promoting blends."

2.1.7 ONLINE MARKETING TOOLS

There are a number of tools that can be used to built and maintain a robust online marketing program:

- Email marketing
- Social media marketing
- Search engine optimization (SEO)
- Display advertising
- Search engine marketing (SEM)
- Events & webinars
- A/B Testing &Website optimization
- Content marketing
- Video marketing
- Marketing Analytics
- Marketing Automation
- Customer Relationship Management (CRM)
- Content Management System (CMS)

Figure 1 online shopping site

Online advertising has evolved since its humble beginnings as a static image that pops up at the top of a website. Now, there are a wide variety of advertising types.

2.1.8 DIFFERENT TYPES OF ADVERTISING

1. Display Ads

The original form of online advertising, these are visual ads that appear on third party websites (usually ones that are related to your content or service in some way).

Display ads have evolved from the basic form of banner ads. Nowadays, display ads come as:

Static images - these are your basic banner or square ads that appear around the content.

Text - these are text ads that are created by algorithms to make text ads relevant to the surrounding content.

Floating banners - these move across the screen or float above the regular website's content.

Wallpaper - these appear and change the background of a website, filling the whole page.

Popup ads - these are new windows that appear in front of the website content; newly opened window displays the full ad so visitors can see.

Flash - these are moving ads that "flash" different content at the viewer.

Video - these are small video ads that auto play or wait for the video to be played by the visitor.

Display ads are usually very affordable. If you contact the third party site directly, their rates will vary from site to site. If you go through a marketing site, they will charge you a base rate.

Some third party sites, like the Google Display Network, allow for demographic, geographic, contextual and/or behavioral targeting - all of which help you target the audience that would be most likely to be interested in your product or service.

2. Social Media Ads

In 2015, Social Media commerce totaled $30 billion in the US. It's a marketing arena that is not only efficient but effective. Very similar to Display Ads, Social Media ads can be anything from a simple banner or image to an auto-play video.

Social Media advertising is great because you can target your audience perfectly. For example, Facebook's targeting options include age, region, interests, educational background and more.

Here are two types of Social Media advertisements:

- **Organic** - creates loyalty and gives you feedback from your target audience; new form of Word-of-Mouth
- **Paid** - leverage promoted posts and reach specific people

The best platforms to target are:

- LinkedIn for B2B sales
- Facebook for display and top of funnel marketing
- StumbleUpon for amazing, attention-grabbing content

Other platforms to hit up if you have the budget for it:

- Twitter
- Google+
- Pinterest
- Instagram
- Tumblr
- Reddit

You can prepare your Social Media campaigns yourself or you can work with a marketing agency to prepare your campaign.

3. Search Engine Marketing (SEM)

The most dependable form of online paid advertising (and also the most common). SEM works based on keywords - you and other businesses like yours bid on keywords through search engines in an effort to get your website up higher on the Search Engine Results Page (SERP).

All SEM ads that appear in Google, Bing and other search engines are text ads. They're listed at the top or sides of the SERP.

Paid ads can either be Pay Per Click (PPC) or Cost Per Thousand (CPM).

- **PPC**
  - You bid on keywords and your results appear at the top of the SERP based on bid value.
  - This is the best value package because you're only charged when people click on the ad.
  - Also, it's the easiest to track during the campaign.
- **CPM**
- You're billed a flat rate for 1,000 impressions.
    - This makes it easy to apply a budget and you're guaranteed a number of "shows" on the SERP.
    - However, you risk overspending - if no one clicks through you're paying for wasted results.
    - Also, you can't assess or track the campaign until it's over.

You can also use SEM in the unpaid form by optimizing your website for keywords (also known as SEO). Search engines list the unpaid results based on relevance so improving the SEO of your site means you'll be able to get more hits for free if you improve your site's SEO.

The best platforms for SEM are Google AdWords, which allow you to create highly targeted campaigns; to make the most of your Google AdWords campaigns. Another platform that's great for SEM is Bing, which has less competition than Ad Words.

4. Native Advertising

Native advertising is those sponsored listings at the end of blog posts, appearing on your Facebook feeds and posted to other Social Media.

These pieces of content are integrated and camouflaged into the platform on which they appear. You can promote and post your Native Advertising through networks like Adblade, Adsonar, Outbrain and Taboola.

There are several forms of Native Advertising:

- In-feed
- Search ads
- Recommendation widgets
- Promoted listings

5. Remarketing/Retargeting

The best way to market to people who already know about your product and service is to remarket to them. Or retarget. Depends on who you're talking to.

When people visit your site, you drop a cookie on them so that, as they travel around the web, your ads will appear over and over to remind them about your product or service.

This form of advertising is inexpensive and, if done right, can be more effective than PPC. It increases conversions because it reminds people of you who already know who you are.

You can try to set this up yourself on Facebook Remarketing, Google Remarketing and more. Or, you can use a third-party platform or provider to set up your remarketing campaigns - read our Retargeting Cagematch for the 4-1-1 on all of the available platforms you could use… and which are best.

6. Video Ads

While YouTube ads are the most popular and well known of video ads, there are

actually several different formats, types and content options.

You can go the route of educational/informative. Or maybe you want to post a how-to. Try to pull on the emotional strings of your viewers by creating a visual story. Ideal for branding, especially if you have a product or service that is best demonstrated visually.

Whatever you choose, Video Ads are gaining in popularity because they avoid blatant advertising while also attracting the limited attention span of many YouTubers.

Once you've created your video, you can post to:

• YouTube/Google
• Facebook
• Twitter
• Vimeo
• Brightroll
• YuMe
• Hulu
• Live Rail
• Adap.tv
• Specific Media
• Tube Mogul
• Tremor Video
• AOL
• Auditude

YouTube also have the fun little Pre-Roll ads (those short… sometimes long… ads that appear before the video you actually want to watch starts).

7. Email Marketing

Hanging out with Display Ads back near the start of online advertising, Email Marketing is a cheaper, faster and effective form of advertising.

It's a great way to build customer loyalty and boost sales; when you use an email campaign manager (see the list below) to prepare and send your emails, you can easily track how well they do and monitor your ROI.

Email Campaign Managers:

- MailChimp
- Constant Contact
- AWeber
- ConvertKit
- GetResponse
- Campaign Monitor
- Active Campaign

2.1.9 CONSUMER BEHAVIOUR

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine—which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.

According to Louden and Bitta, 'consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services'.

Buyer conduct is the investigation of the procedure included when an individual chooses, buy, uses or discards items, administrations, thoughts, or encounters to fulfill needs and wants (Solomon, 1998). All together for the web to grow as a retail channel, it is essential to comprehend the customer's state of mind, expectation and conduct in light of the web based purchasing background: i.e., why they utilize or delay to utilize it for obtaining? Customer's states of mind appear to impact this choice (Schiffman, Scherman, and Long, 2003) yet singular mentalities don't, without anyone else, impact one's aim and additionally conduct. Rather that goal or conduct is an aftereffect of an assortment of states of mind that the customer has about an assortment of issues important to the current circumstance, for this situation Internet purchasing.

Directly observable influences		THE BLACK BOX

Directly observable influences
– Demographical factors
– Economical factors
– Marketing mix factors
– Situational factors

Consumer behaviour

THE BLACK BOX
Deductible influences
Endogenous influences
– Perception
– Morivation
– Personality
– Learning
– Attitude

Exogenous influences
– Family
– Appartenace group
– Reference group
– Social class
– Culture
– Subculture

Flowchart 1 CONSUMER BEHAVIOUR

2.1.10 TYPES OF CONSUMER BUYING BEHAVIOUR

Mainly there are four major types of consumer buying behavior , which are based on the intensity of involvement in buying and the alternative options of the product (brand). These are as follows.

1. Complex Buying Behavior
2. Dissonance-Reducing Buying Behavior
3. Habitual Buying Behavior
4. Variety-Seeking Buying Behavior.

1. **Complex Buying Behavior**:

Complex buying behavior is exhibited by the consumers, when the involvement level in a purchasing is high and also there are different brands available in the market that represent different values. In such cases the product searched for buying is relatively expensive and risky. The product also covers the aspect of self-expression and the frequency of purchase is also occasionally. This means that the customer searching for such types of products wants to understand about the category of product completely. He makes efforts in this regard to obtain the highly beneficial product that can best meet his requirements.

For example, if a consumer wants to purchase a personal computer, then he cannot get the clear idea of computer through his RAM, Processor etc. Instead, he first tries to make his beliefs about the categories of different brands of computers. After which he develops his attitudes and finally purchase a certain personal computer on the basis of his learning process. The companies should understand the behavior of consumers in the gathering of information and its evaluation. The marketers of the companies need to explain the attributes and the importance of the different offered brands to such consumers. They should reflect the features and benefits of each brand to motivate the consumer for making a purchase of high involvement.

2. **Dissonance Reducing Buying Behavior**

Dissonance Reducing Buying Behavior represents such case in which the involvement of the consumers is high, but the available brands show less difference. The purchase of the product is relatively quicker in this kind. For example, in case of purchasing of a carpet by a consumer, he first learns all the available brands with their relative specifications like price etc. As carpet is also self-expressive and

expensive product, but its alternative brands have little difference among them. So, the consumer tries to check every brand quickly and make a purchase mostly on the basis of given price or the ease of purchase.

After a purchase, there may also a problem of post purchase dissonance by the consumer, in case when the features or benefits declared by the company do not completely exhibited by the product (carpet), or even when the carpet shows some disadvantages too. In such case, the company should provide after sale service for the help and support of such problems of the customers.

3. Habitual Buying Behavior

Habitual Buying Behavior is one of the types of Consumer Buying Behavior in which the involvement of consumers in the purchase is low along with the few differences among the alternative brands. In this case the products offered are cheap and purchased frequently. For example, if a consumer purchases sugar from the market, he exhibits habitual behavior in such a way that he does not inquires different brands and prices of sugar. Instead, he buys it simply from the first shop without making any extra efforts.

In habitual buying the consumers are not involved in the learning process of understanding the features of brands, nor they develop attitudes to make a purchase. Instead, they are involved in passive learning in which they get brand familiarity through different sources like magazines, advertising, television etc. When consumers are familiar with any brand, they just buy it without exhibiting post purchase evaluation because they are not fully involved in the purchase.

The companies offering low involvement product with few brand differences should use the factor of price and sales promotion to increase its sales of products. The

company should use the symbols and images to create the brand awareness, because these things can easily be remembered. Moreover the television is preferred for advertising in which short duration ads are shown repeatedly so that the consumers can easily remember the brand. Another trick in this regard is that the companies should link its low involvement products to certain relative issues. Just like any toothpaste manufacturing company can link its toothpaste to prevent cavities. This linking would make a low involvement product into high involvement, which in turns increase the sales of the company.

4.   **Variety-Seeking Buying Behavior**

The fourth type of Consumer Buying Behavior is variety seeking buying behavior in which the involvement of consumer is low, but the brands exhibit much perceived difference. In such situations, consumers are switched more from one product to another. For example a consumer wants to buy a cookie, so he does not try to learn different brand and specifications of cookies, rather, he simply buys a certain brand of cookie and make use of it to make an evaluation, and the next time he may buy another brand of cookie. This switching of consumer from one brand to another is not based on the dissatisfaction, but on the base of testing the variety.

2.1.11 CONSUMER BUYING PROCESS

The customer buying process (also called a buying decision process) describes the journey your customer goes through before they buy your product. Understanding your customer's buying process is not only very important for your salespeople, it will also enable you to align your sales strategy accordingly.

The five stages framework remains a good way to evaluate the customer's buying process. John Dewey first introduced the following five stages in 1910:
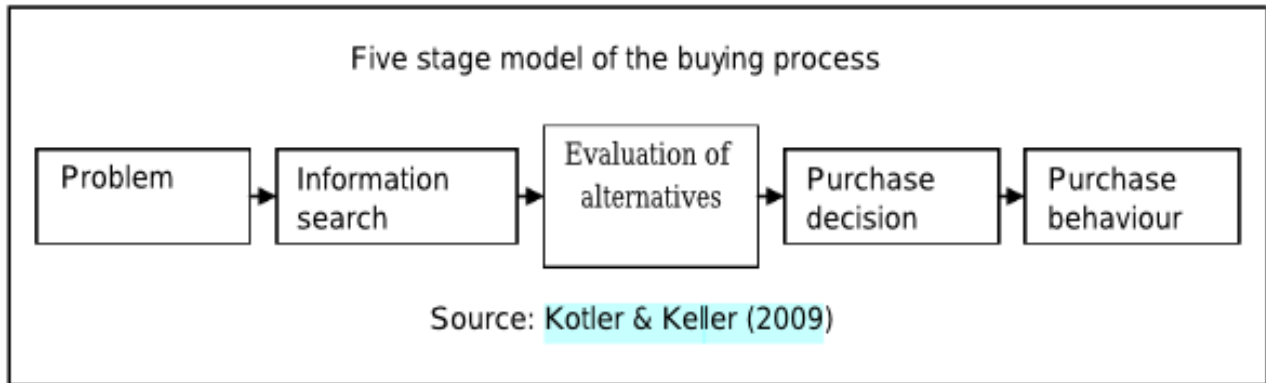
Flowchart 2 FIVE STAGES OF THE BUYING PROCESS

1. Problem/need recognition

This is often identified as the first and most important step in the customer's decision process. A purchase cannot take place without the recognition of the need. The need may have been triggered by internal stimuli (such as hunger or thirst) or external stimuli (such as advertising or word of mouth).

2. Information search

Having recognized a problem or need, the next step a customer may take is the information search stage, in order to find out what they feel is the best solution. This is the buyer's effort to search internal and external business environments, in order to identify and evaluate information sources related to the central buying decision. Your customer may rely on print, visual, online media or word of mouth for obtaining information.

3. Evaluation of alternatives

As you might expect, individuals will evaluate different products or brands at this stage on the basis of alternative product attributes – those which have the ability to

deliver the benefits the customer is seeking. A factor that heavily influences this stage is the customer's attitude. Involvement is another factor that influences the evaluation process. For example, if the customer's attitude is positive and involvement is high, then they will evaluate a number of companies or brands; but if it is low, only one company or brand will be evaluated.

4. Purchase decision

The penultimate stage is where the purchase takes place. Philip Kotler (2009) states that the final purchase decision may be 'disrupted' by two factors: negative feedback from other customers and the level of motivation to accept the feedback. For example, having gone through the previous three stages, a customer chooses to buy a new telescope. However, because his very good friend, a keen astronomer, gives him negative feedback, he will then be bound to change his preference. Furthermore, the decision may be disrupted due to unforeseen situations such as a sudden job loss or relocation.

5. Post-purchase behaviour

In brief, customers will compare products with their previous expectations and will be either satisfied or dissatisfied. Therefore, these stages are critical in retaining customers. This can greatly affect the decision process for similar purchases from the same company in the future, having a knock-on effect at the information search stage and evaluation of alternatives stage. If your customer is satisfied, this will result in brand loyalty, and the Information search and Evaluation of alternative stages will often be fast-tracked or skipped altogether.

On the basis of being either satisfied or dissatisfied, it is common for customers to distribute their positive or negative feedback about the product. This may be through

reviews on website, social media networks or word of mouth. Companies should be very careful to create positive post-purchase communication, in order to engage customers and make the process as efficient as possible.
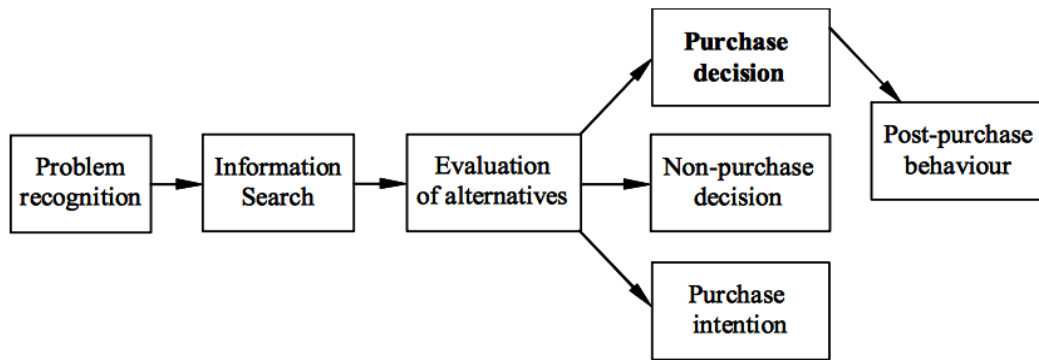
Flowchart 3 CONSUMER BUYING BEHAVIOUR

2.1.12 ONLINE SHOPPING AND CONSUMER BEHAVIOR

With the rise of the Internet, Internet-based electronic business created and this condition give people to achieve data about items and administrations effortlessly. In addition, business associations have moved to join the World Wide Web into their limited time crusades, and by offering the office of web based acquiring and like numerous different advancements 'internet shopping' has turned into a piece of our lives.

Moreover, the Internet business has made more aggressive condition; understanding highlights of online customers' practices have been more critical. Additionally, it ought to be broke down by online dealers that 'why some still incline toward not to purchase on the web'. seen attributes of the web deal channel which incorporate

hazard, advantage, web based shopping background, benefit quality, trust; second class is site and item qualities which are chance lessening measures, site highlights and item qualities; and the last classification elucidated by creators is customer attributes. Different sorts of highlights drive shopper qualities. Purchaser shopping introductions, statistic factors, PC, web information and use, shopper inventiveness and mental factors.

2.1.13 COMPONENTS THAT AFFECTING CONSUMER BEHAVIORS, CONSUMER CHARACTERISTICS IN THE ONLINE MEDIUM

Customer practices can be clarified in four measurements, which are close to home attributes, mental qualities, social qualities and social attributes.

PSYCHOLOGICAL CHARACTERISTICS

Attributes of a man, is a critical factor influencing the buy choice process. Individual components incorporate age, sexual orientation, occupation, wage status, instruction, and way of life.

Both sexual orientation bunch gets acquainted with utilizing the Internet .Men are more comfortable with utilizing innovation and their advantage is greater than ladies. In this day and age this hole began to diminishing and it has discovered that 'an expanding number of ladies utilize the Internet' they likewise observed that menare asserted to be more down to business while ladies are more on edge when they confront new things. It has developed that statistic factors, for example, sexual orientation are noteworthy components when individuals confront new things. For this situation, their demeanors have been driven by their social condition.

Moreover, people with bring down pay tend to approach internet shopping action more wary and locate this medium as a more hazardous place since their resistance for money related misfortunes are bring down regarding customers with higher wage.

Then again it has discovered that 'online customers are not really more taught'. Web based shopping has been considered as a simple action, subsequently training level has not a major impact on it. However instructed individuals will probably acknowledge advancements effortlessly taught level may affect choice process.

SOCIAL CHARACTERISTICS

Online buyers mentally manage themselves and they every now and again addressing themselves. Inspiration make customers to ask themselves, should they look a superior cost or should they shop online all the more regularly and these sort of inquiries. Discernment is one of the imperative factors and influences shoppers to look at the security of the site or the nature of the item. For this situation the vender associations must be fruitful as far as giving clients a certainty. Another mental angle is identity. The identity factor may drive shoppers to solicit themselves what sorts from sites are most appropriate for their own inclinations. Individual inclinations oversee customers to choose. The fourth one is mentality and dispositions can change effectively, consequently advertisers are numerous intrigued by these highlights. Buyers attempt to discover what they like or not in regard to a specific circumstance. The last factor is feeling; they may think about their last involvement. Customers are influenced by decisions and feelings change with their preferred experience.

CULTURAL CHARACTERISTICS

The social impact originates from the reference gatherings. For the online customers reference bunches are recognized as virtual groups, comprising of dialog bunches on a site. Other individuals' encounters, conclusions have appeared in this medium and influence purchasers. Another are contact joins, site joins identified with the item or the administration, which settle on people guarantee about the choice. Family is one of these reference gatherings. There are distinctive ways that reference bunches impact a person's state of mind, they may uncover another conduct or way of life or may make a strain to acknowledge the mentality.

Diverse social classes make distinctive practices. Customers from bring down social classes would not have similar properties, for example, higher goal to purchase or higher likelihood like higher social classes. Besides, culture set esteems and convictions in the early ages hence individual's needs and needs are driven by this setted include. Nearly all that we do; how we give and get data, decide, lead and oversee, working groups, utilize time is impacted by culture. Culture as 'the aggregate mental programming of the mind which recognizes the individuals from one gathering or classification of individuals from another'.

CUSTOMER LOYALTY

In the most recent century, innovative advances prompting extensive changes on showcasing. Thus it offered new openings and furthermore prompted considerably more prominent rivalry they are confronting. This makes organizations to leave traditional administration attitude and to embrace new business and market techniques. The web, which turns into a piece of day by day lives, likewise turns into a piece of regular shopping. To hold clients, who are only a couple of keystrokes from any sites with no imperative, has turned out to be extremely troublesome. If there should be an occurrence of any disappointment, these clients would incline

toward a high number of contenders and the exchanging cost is nearly nonappearance, in this way in online condition, e-stores is to make it much more imperative to guarantee client devotion.

Results of innovation and informatics begin to change the clients' shopping conduct, as it changes numerous propensities for them. In web based shopping, clients have a few desires from organizations before shopping, as in customary shopping. To fulfill or disappoint this desires or how degree of fulfillment is accomplished make the apparent estimation of clients. Fulfillment or disappointment happens as relies upon encounters which exist after web based shopping. This circumstance influences the trust to organization. Clients' dedication or traitorousness relies upon how much these components are accomplished.

TRUST

Purchasers' trust to a supplier or provider comes about with getting to be focused on the organization. Trust issue is surpass with a couple of fruitful exchanges, after people begin feel safe and trust that this provider answer their requirements and needs. Then again gave data is another issue regarding internet shopping. Since web based shopping is an action which identified with a PC framework, people can't touch or feel items. In this manner their choices in view of the data that gave by online retailer. Data issue not just imperative regarding accessibility circumstance, it is likewise critical in comfort and personalization idea. Web architecture, access to data, get to time to data additionally impact on practices of buyers.

Without the web based acquiring channel, each one of those tasks would be all the more expensive on the physical exertion and time viewpoint, and in addition it would not be feasible for the client to achieve essential data about the item and to contrast

it and the a large portion of the contenders. As being worthwhile for firms and clients, online deal innovation is acknowledged by the organizations while not acknowledged adequately by the clients. Now, clients' purchasing conduct over web ought to be dissected.

2.1.14 Influences of Online Shopping Decision:

☐ Motivations that lead customer to purchase online ☐ Convenience

☐ Web outline

☐ 24 hours get to

☐ Brand program portion

☐ Price

☐ Internet speed

☐ Cash on conveyance

☐ free home conveyance

☐ Quick pursuit

☐ Better administration

☐ Easy installment

☐ New plan

☐ Trendy shopping

☐ Saves travel time

☐ Availability

☐ Trustworthy

☐ Website security

☐ Detail data is accessibility

☐ Searching the items simple

☐ Take less time

2.2 RESEARCH REVIEW

Online marketing users in One to one marketing, Fosket, Sally, Direct marketing; Nov 1996, pg no 38

Online services will drive marketing to the opposite end of the spectrum from "mass" marketing to customized "one-to-one" marketing. Online marketers communicate instantly and directly with the prospective customers and can provide instant

fulfillment as well. Marketers with carefully designed World Wide Web sites are already interacting computer to computer, with prospective customers or an individual basis, much as ATM does in very primitive fashion. Online one to one approaches while innovative and still glamorous in their pioneering aspects, offer significant new challenges. The significant aspect is the access with the customers. Communication and information technology development has encouraged the emergence of new communication channels that have increased the options available to organizations for building relationships with clients.

How important is Internet marketing to the success of an organization? There are no exact answers for this question. It depends on the nature of one company business line. There are many companies currently using the Internet as their main business transaction such as DELL, AirAsia, etc... However, companies such as UPM, the world's leading forest products producer only uses the Internet as a media to introduce the company and its products to customers via its website. Besides that, during the whole purchasing decision making process, customers not only use the Internet in isolation to search for products but other media such as print, TV, direct mail and outdoor as well. These media still play an extremely

Important role for the marketers to communicate with customers, for example, direct or face – to – face marketing more or less helps marketers build up the trust in customers and encourage them to purchase the products. Therefore, it is better to use the Internet as part of a multi-channel marketing strategy which "defines how different marketing channels should integrate and support each other in terms of their proposition development and communication based on their relative merits for the customer and the company." (Chaffey et al. 2006, 5)

According to research conducted by Nielsen, we know that 92% of consumers report that "word-of-mouth and recommendations from people [they] know" are the leading influence on their purchase behavior. Only 37% trust search engine ads, and just 24% trust online banner ads. They trust their friends and family the most when looking for brand recommendations. But what types of recommendations carry the most weight? Brands are eager to tap into the power of recommendations, and many companies measure an "NPS," or Net Promoter Score, which illustrates how likely someone is to recommend a specific brand or company. According to a U.K. study by Fred Reichheld, "a 7% increase in word of-mouth advocacy unlocks 1% additional company growth." His research also shows that "a 12% increase in brand advocacy, on average, generates a 2x increase in revenue growth rate plus boosts market share" and, conversely, "a 2% reduction in negative word-of-mouth boosts sales growth by 1%."

It is important to understand the relationship between digital communication and traditional communication in the old media; for example, TV, radio, newspapers, magazines and billboard ads, the communication model was and is one-to-many compared to one-to-one or many-to-many communication model in digital media like blogs, social networks, wikis and other social media (Chaffey, 2003).

The increased fragmentation of media and customers, as well as the revolution in mass communication by the new communication channels – internet and mobile communication technologies – has created the need for a new approach to marketing communication that can ensure centralized management and a consistency of communication messages sent towards various audiences (McArthur and Griffin, 1997; Semenik, 2002; Smith, 2002).

Foux (2006) suggests Social media is perceived by customers as a more trustworthy source of information regarding products and services than communication generated by organizations transmitted via the traditional elements of the promotion mix.

Johnson and Greco (2003) explain that desires and different hopes from different clients can sometime require certain unique information and contact strategies. Communication channels and strategies now differ broadly from the ones in former times or offline times.

Online marketing is today seen by many practitioners as the new arena for market communication and on top of the list of users of the different mediums is Facebook, Blogs, Twitter, YouTube and LinkedIn (Steltzner, 2009).

Kaplan and Haenlein (2010) define social media as —a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which facilitates the creation and exchange of user-generated content. It consists of different Internet applications such as blogs, social networking sites, content communities, collaborative projects, virtual game worlds and social worlds. Russell S. Winer (2009) affirms that many companies today are using some or all of the new media to develop targeted campaigns that reach specific segments and engage their customers to a much greater extent than traditional media.

Mangold & Faulds (2009) argue that marketing managers should comprise social media in the communication mix when developing and executing their Integrated Marketing Communication strategies and they presented the social media as a new hybrid element of promotion mix.

Even as organizations realize the need to engage customers at as many touch points as possible, there is still a need to stay ahead of the rapidly shifting marketing and communication landscape by integrating social media into traditional strategies to reach out to B2B and B2C audiences. Online opportunities and their future impact on traditional marketing are as expensive as your imagination can provide. (Pownall, 2011).

The role of exigencies in marketing: a rhetorical analysis of Three online social networks, thesis presented to the graduate school of Clemson university, By Greg Brian Martin, May 2007, pg no. 99.

Traditional marketing efforts have focused on determining exactly what channel to advertise through, in order to properly segment the potential audience, but users of online social networks have often times segmented themselves. Users of Joga, for instance, are soccer fans, users of the Communities are interested in Adobe, and users of MySpace have the option to supply whatever information about themselves that they wish. Marketers can spend more effort focusing on the messages that they will use, and less time on proper audience segmentation. Another benefit to marketing in a virtual community is that once the audience enters the network, they may be able to ignore advertising messages, but they cannot avoid them (immersion). Consider the Adobe Communities, for instance, which uses no outside advertisements or popup ads (that the typical user can avoid easily), but rather advertise through immersion in that the entire network is the respective marketing effort.

The structure of online marketing communication channels, Robert Owen Texas A&M University-Texarkana; Patricia Humphrey, Texas A&M University-Texarkana; Journal of Management and Marketing Research, pg no.

Online marketing communication are moving toward interactions between individual recipients and consumers rather than being directed from a marketing organization to masses of consumers. It is now possible for an individual to be just as efficient in broadcasting information, both positive and negative, about an organization as it is for a large corporation to promote itself. The social networking that allows the quick and easy dissemination of information and mis-information is in part a product of changes in online communication channels, but these communication channels are in part enabled by such social networking.

From a marketing perspective, we are at a pioneering stage in understanding how these work. The emergence and popularity of social networking websites and social media has made it just as easy for an individual to communicate in real time with thousands of total strangers as with a single close friend. Social networking websites have also been a great equalizer, making it just as easy for an individual to build or break a marketing brand as for a large corporation – as well as making it easy for a large corporation to mimic a sincere "grassroots" individual who lacks corporate motives. A social networking website is defined here as "one that allows internet users the ability to add user-generated content such as: comments, feedback, ratings, or their own dedicated pages" (iProspect, 2007, p. 3). Websites such as epinions.com, for example, allow product users to post ratings, comments, opinions, and full reviews about products. Wikipedia.com makes it possible for anyone to edit information about an organization or person, enabling a view that is not necessarily the official whitewashed company version.

The distribution of products, information and promotional benefits to target customers through interactive communication in a way that allows response to be measured. It accounts for direct connections with carefully targeted individual

customers to obtain an immediate response and cultivate lasting customer relationship. (Jobber, 2007)

Forbes Magazine reports retail is down and e-commerce is up. One clear example of the power of e-commerce comes from Macy's recent returns. Forbes reports the 154-year-old retail chain saw online sales rise 40% in 2011 while same-stores sales grew just 5.3%. Maybe you're not a billion-dollar business like Macy's, but the numbers don't lie. Online sales are overtaking retail sales. Safe to say e-commerce is trending upward more and more each year. It's not too late to jump onboard the e-commerce train.

According to Forrester research, considering the current volume of internet marketing business, it's hard to believe how young the internet marketplace is. While the timeline of internet marketing has been short, the cumulative events leading up to where we are now have impacted the entire globe faster than any marketing revolution in history. In 1994, spending for internet marketing totaled nearly nothing, but increased to over $300 million in 1995. Now, little more than a decade later, marketing spending and internet marketing business has exploded to nearly $200 billion.

User Generated Content

User generated content (UGC) includes online blogs, contributions to wikis, comments in forums, and pictures and status updates on social networking sites. It's also called consumer generated media', or consumer created media, and is a core component of the so-called second generation web or Web 2.0. (Chris Grannell, 2009).

According to Constantinides and Fountain (2009), the power structure has changed due to fact that customers have access to information which previously was not available for them. As a result, the consumer attitudes changes leading to new consumer needs, values and buying behavior. Also Hearn, Foth and Grey (2009) acknowledge that the participatory culture, enabled by recent technological innovations, shifts the communication flows away from a central business-to-consumer model. The development is towards consumer-to-consumer flows of communication as customers start to create content on their own by using new media applications and services. (Hearn, Foth and Grey 2009, pp.49.)

Mangold and Faulds (2009) point out that the popular business press and academic literature offers marketing managers very little guidance for incorporating social media into their marketing communication strategies. Social media should be included in the promotion mix when developing and executing their integrated marketing communication strategies. It is a hybrid element of the promotion mix because it combines characteristics of the traditional integrated marketing communication tools with a highly magnified social media influence whereby marketing managers cannot control the content and frequency of such information. Social media is also a hybrid due to it springs from mixed technology and media origins that enable instantaneous, real-time communication. Is also utilizes multi-media formats and numerous delivery platforms, with global reach capabilities. (Mangold and Faulds 2009, 359.)

The internet has become a mass media vehicle for consumer sponsored communication. It now represents the number one source of media for customers at work and the number two source of media at home. Customers are turning away from the traditional sources of advertising: radio, television, magazines, and newspapers. Customers also consistently demand more control over their media

consumption. They require on-demand and immediate access to information at their own convenience. Customers are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions (Lempert, 2006; Vollmer & Precourt, 2008).

The Internet and the marketing mix Nowadays; the concept of Internet marketing has expanded and brought more opportunities for companies to approach their customers. In the past, the Internet was only used as a tool to contact customers, part of direct marketing. Nowadays, the Internet, particularly websites has been becoming a popular media for any firms to introduce their products and services. The Internet is considered as an independent and effective marketing tool. During eight years, from 2000 to 2008, the number of Internet users has increased by 4 times from about 361 millions to more than 1, 46 billion (http://www.internetworldstats.com/stats.htm), in which, Asia, the continent with the biggest population accounts for 39.5% of World Internet Users.

In Finland, nearly four out of five Finns aged 15 to 74, or over three million persons, used the Internet in Spring 2007 (www.stat.fi). To understand precisely how the Internet offers new opportunities to traditional marketing model, it is necessary to examine it based on the marketing mix which is traditional but still applicable.

In 1960, Jerome McCarthy introduced the marketing mix - widely referred as the 4 Ps of Product, Price, Place and Promotion. Until now, it still plays an important role in formulating and implementing marketing strategy. The 4 Ps have been developed and extended to the 7 Ps with the appearance of People, Process and Physical evidence (Booms and Bitner, 1981). It provides an effective strategic framework for changing different elements of a company's product offering to influence the demand for products within target market (Chaffey et al. 2006, 215).

However, the researchers only focus on the first main and traditional 4 Ps in this paper due to some limitations.

According to Philip Kotler (2003), Product is the solution to customers wants or/and needs. It refers to the characteristics of a product, service or brand. The Internet offers options for varying the core product, options for changing the extended products, conducting research online, velocity of new product development and velocity of new product diffusion (Chaffey et al. 2006, 217 - 222). Many digital products now can be purchased easily over the Internet via providers' website. For other products, instead of providing actual products to customers, many companies publish the detailed product information with pictures or images. Thanks to this, consumers still have concepts about different kinds of product even when staying at home. Besides that, for some companies, it is possible for buyers to customize products. Dell is a typical example. Through its websites, a customer can build a laptop or a desktop with the desired functions and features. Besides that, companies also can supply more extended product user guides, packaging, warranty, after sales services in a new method. For example, new drivers or updated package for a computer or software are easily downloaded via producers' websites. It brings conveniences for both of buyer and seller/ producers. In addition, it is obvious that the Internet provides a new tool to collect customer feedback quickly and accelerate new product development since process of testing new products is more rapid and effective. The information about new products will spread out more wildly and quickly.

Price is the most flexible element comparing to other three elements of the marketing mix, since it can be changed quickly to adapt to the market's demand.

Companies can use the Internet to build differential price for different customers in different countries, based on IP (Internet Protocol) analytic technologies. For buyers, they are able to find out the price differences by visiting companies' websites or price comparison sites. In addition to this, the Internet also reduces costs and price per product by reducing operating costs of stores and number of staffs. Therefore, the Internet is considered as the most effective marketing tool.

(P S Verma et al. 2003, 135-156). Together with these advances, many new payment methods are created. The online payment method using credit cards is the most popular, efficient, convenient and flexible way for companies and customers. Bills can be paid at any time and in anywhere. Moreover, companies can cut costs by reducing paper works since the customers fill all the necessary information such as their own private information and credit cards information by themselves. Beside these conveniences, online customers still have to worry about securities and privacy matters. Hence, some third parties provide services to protect consumer privacy and to secure transactions. PayPal is one of the most successful companies in this business sector.

Place in the marketing mix refers to how the product is distributed to customers. New method of distributing goods through online selling is offered by the improvement of the Internet. It is possible for customers to make their purchasing decisions anywhere at any time. The Internet has the greatest implications for the Place in the marketing mix because it has a large market place (Allen and Fjermestad 2001, 14-23). Companies now can expand their business from local areas to the whole country even to international market. They also can use the Internet to exploit new markets with low cost international advertising since they do not have to establish sales infrastructure in different countries (Chaffey, 2006, 237-243).

The Promotion element of the marketing mix refers to how marketing communication are used to inform customers and other stakeholders about an organization and its products (Chaffey, 2006, 243). The Internet can be used to review new ways of applying each of elements of communication mix such as advertising, sales promotions, PR and direct marketing; assess how the Internet can be used at different stages of the buying process; and assist in different stages of customers relationship management from customer acquisition to retention (Chaffey, 2006, 243 - 245).

Internet Advertising: It is a form of advertising that uses the Internet to attract customers by delivering messages through websites or advertising banners on other popular websites which leads online users to a company site. The company website must be well-organized, well-designed and user-friendly in order to attract more target customers. (Rowley, 2001)

Sales promotion: Thanks to the Internet, sales promotions such as competitions or price reductions can be provided to visitors of the company's website in a cost-reduced way. Not only encourage the customers to visit the company website again, this also provides the means for the company to build a long term relationship with their customers (Chaffey, 2006, 243-245).

Public relations: The Internet is a new medium for Public Relations (PR). Blogs, Podcasts / Internet radio shows, online newsrooms and media kits offer companies a new opportunity to publish the news directly while in traditional marketing they would wait for periodical publications (Chaffey, 2006, 243-245).

Direct marketing: Thanks to the Internet, companies nowadays have a new tool for direct marketing and advertising that may be cost effective and maximum delivery

to targeted customers. By using e-mail addresses, the company can establish a two way communication method with customers (Chaffey, 2006, 243- 245).

The 21st century is predicted to be a century of technologies when everyone, every company, every organization apply them to make their works become much easier and more effective. The popularity of using the Internet, together with the improvement of computer hardware and software industries, completely boost the development of e-marketing in the whole process of buying from pre-sale to sale to post-sale and further development of customer relationship. New comers in this area have to consider very carefully the use of these modern channels. Since, the role of Internet marketing is to support the multi-channel marketing which is the combination of digital and traditional channels at different points in the buying cycle (Chaffey et al. 2006, xiv - xv). They have to understand which the main marketing channel is and which the supportive marketing channel is. Below is some results drawn from different articles and researches, which touch upon different parameters that make many companies pursue Internet marketing.

Consumer privacy

In an effort to understand New Zealand consumers more, Chung W. and Paynter J.(2002, 2402-2411), based on their work, drew a conclusion that it was a must for companies to have privacy policy statements under their website to protect consumer privacy information, to make sure that their customers' information cannot be misused. Some solutions were also discussed in this study to protect customers' privacy. For the authors, solutions such as legislation, self-regulation and technical solutions had be combined together to maximize its effectiveness.

According to Liebermann Yehoshua and Stashevsky Shmuel (2002, 291-300), the factors which can prevent customers from using and believing in e-commerce include: Internet credit card stealing, fear of supplying personal information, pornography and violence, vast Internet advertising, information reliability, lack of physical contact, not receiving Internet products purchased, missing the human factor when Internet purchases are made, Internet usage addiction. The participants for this study come from different genders, group ages, high/low education background, and different marital status. Other variables are also examined for example Internet user/non user, bought online/not bought online and heavy/light Internet user.

According to Chaffey et al. (2006, 381), Paid search listings or sponsored links are very important for any company to be visible in all search engines. To achieve highest positions and regularly appear, websites should take bid strategy and click through rate into consideration very carefully. Bid strategy helps advertisers maximize their exposure on PPC search engines such as Google, Yahoo or MSN.

In cases when using Google, setting a maximum bid in the Adwords platform means how much an advertiser is willing to pay for a click on a specific keyword. Based on what other advertisers are bidding for the same keyword, you may be charged less but will never be charged higher than your set limit. The maximum bid you set will be one of the main factor determines what your rank number in sponsored links list. If for a same term, you bid higher than other advertisers, your ad will probably appear in the top three positions. If you bid too low, your ad may not be listed on the first page of result or even will not appear at all. Meanwhile, the click through rate refers to the 27 number of persons who click on the link. Google also takes click through rate into account to rank the sponsored links. When the click through rate of

a link is low or a zero, the link will be dropped down or taken away from sponsored link list.

Google Ad words is not the only choice for PPC advertising. Yahoo Publishers or Microsoft's MSN are main competitors of Google in this market. Any company must be careful in calculating the advertising costs which relate to the actual purchase or lifetime value they can get from the average customer. As well as examining the cost-per-click (CPC), companies also have to take into account the conversion rate when visitors come to their websites.

Interactive marketing refers to place ad banners on other websites. If ad site visitors click on ad banners, visitors will be redirected to destination sites. In some aspects, it is quite similar with Pay-per-click search engine. The main difference between these two types of marketing activities is: there is no interference of the third parties or search engine providers. Besides traditional banner ads (468 by 68 pixel), there are now many different forms of interactive advertising such as popups/ layer, video ads, or new large-format ad spaces (button 2, skyscrapers, wide skyscrapers, Leaderboards). The main purposes of interactive advertising for example are: delivering detailed information of a destination site's offer, leading to a sale, and brand awareness.

The foundation of interactive advertising results in the appearance of many new different terms, for instance page impression (occurs when an Internet user views a webpage), ad impression (occurs when a person views an advertisement on the webpage), reach (a number of unique individuals view an advertisement), Click through (occurs each time a webpage visitor clicks on an ad banner which leads them to destination website) and click through rate (CTR) (is the number of clicks your ad receives divided by the number of times your ad is shown (impressions) in ad

sites (http://adwords.google.com)). According to an ADTECH research (2007), in Europe, the click through rate has fallen from 0.33% in 2004 to 0.18% in 2007. Compared to other countries, the CTR in Finland is the lowest one, only 0.09%. Dirk Freytag, CEO, ADTECH, said: "The decreasing numbers overall in my opinion are due to the fact that the users have increasingly gotten used to online advertising during the last years. Banners are now commonplace on the Internet. New formats, such as video ads are needed to draw attention and generate clicks. Layer and Leaderboards in contrast have a high reminder potential even beyond the Web." (http://www.adtech.info/archive2007_1/pr-070510.htm)

METHODOLOGY

3. METHDOLOGY

In order to accomplish the objectives of the study, the researcher has conducted the following methodology: -

1.RESEARCH DESIGN

The survey method research design was used for this study.

2.SELECTION OF SAMPLE

The samples selected for the present study was the females of age group 21-25 years in Ernakulam city as it is found that this age group does more internet browsing and matured enough to make their own decisions. So more precisely the postgraduate students of St. Teresa's college, Ernakulam were selected a sample. A target of 150 respondents were set, but many of them provided incomplete questionnaire and having no experience of using online shopping therefore it was sorted out accordingly for final analysis and data interpretation.

3.SURVEY METHOD WAS USED TO COLLECT INFORMATION ABOUT THE ONLINE MARKETING AND CONSUMER BEHAVIOUR

a questionnaire was developed to collect information about the online marketing and consumer behaviour and satisfaction related questions. The questionnaire consists of 11 different questions related to the topic.

4.EVALUATION OF QUESTIONNAIRE

For data analysis, percentage analysis, simple charting and tabulation tools are used to understand the behaviour of the respondents for online shopping.

RESULTS AND DISCUSSION

4. RESULTS AND DISCUSSION

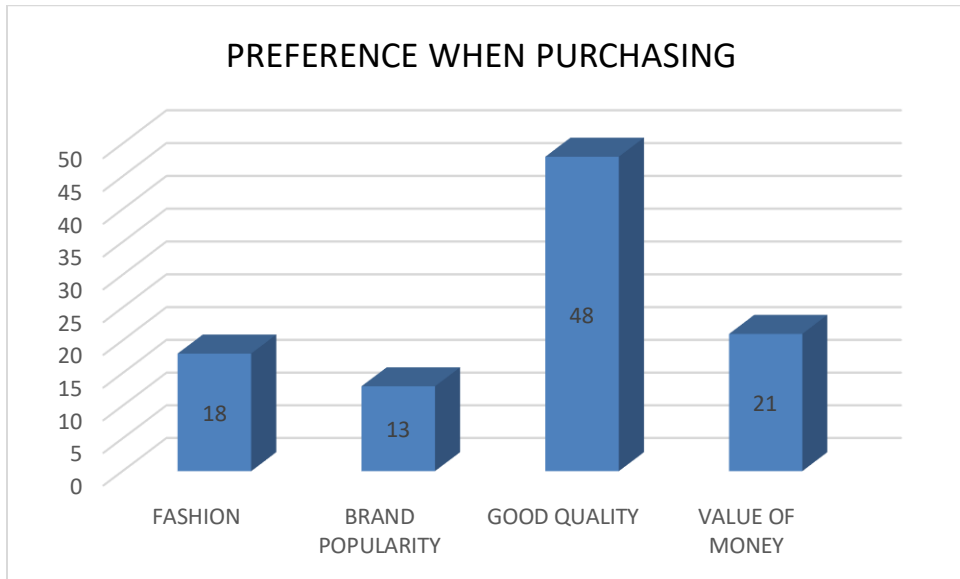➢ Preference when purchasing apparels

SL.NO	PREFERENCE	NUMBER OF RESPONDENT	PERCENTAGE
1	FASHION	28	18
2	BRAND POPULARITY	20	13
3	GOOD QUALITY	74	48

4	VALUE OF MONEY	33	21
	TOTAL	**155**	**100**

Table no1 preference when purchasing

PREFERENCE WHEN PURCHASING

Graph no 1 preference when purchasing

Interpretation

According to the survey report the 48% prefer for good quality, 21% prefer value for money, 18% prefer fashion and the other 13% prefer brand popularity. Most of the people prefer good quality while they purchase and least people only prefer brand popularity.

➢
➢ Mode of shopping

SL.NO	MODE OF SHOPPING	NUMBER OF RESPONDENT	PERCENTAGE
1	INTERNET	12	9
2	DEPARTMENT STORES	28	20
3	SHOPPING MALL	51	37

4	ALL OF ABOVE	48	34
	TOTAL	139	100

Table no 2 mode of shopping
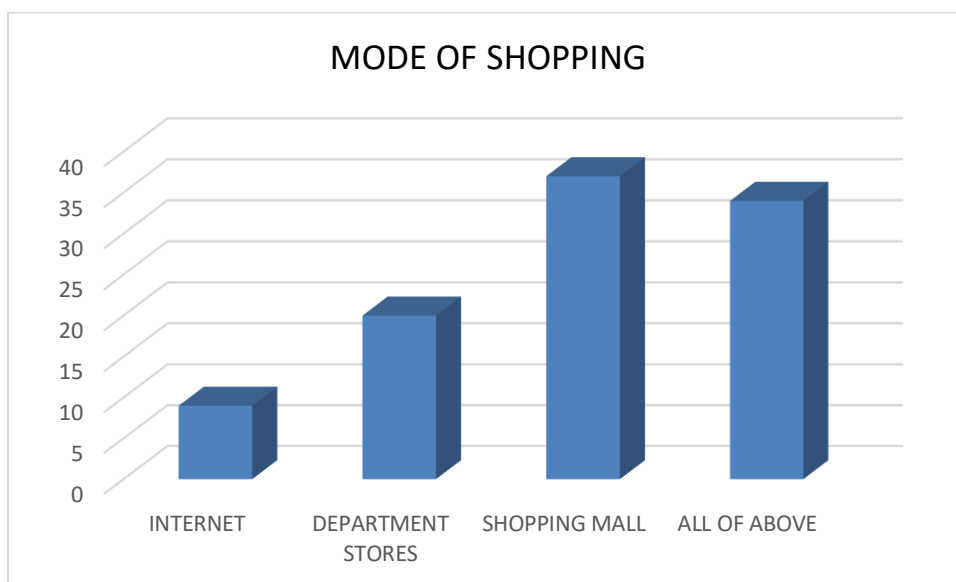
MODE OF SHOPPING

Graph no 2 mode of shopping

Interpretation

According to the graph 37% of people like shopping in shopping malls, the other 34% people prefer different modes of shopping, 20% prefer department store shopping. Overall 9% prefer Internet shopping. The mostly preferred mode of shopping is shopping malls and least preferred mode of shopping is Internet.

➢ Awareness of online shopping

SL.NO	AWARNESS OF ONLINE SHOPPING	NUMBER OF RESPONDENT	PERCENTAGE
1	YES	144	89
2	NO	17	11

TOTAL	161	100

Table no 3 awareness of online shopping

Graph no 3 awareness of online shopping

Interpretation

According to the questionnaire the 89% respondents are aware of online shopping. And other 11% is unaware of online shopping.

➢ Have you done online shopping

SL.NO	HAVE YOU TRIED ONLINE SHOPPING	NUMBER OF RESPONDENT	PERCENTAGE
1	YES	98	75
2	NO	32	25

TOTAL	**130**	**100**

Table no 4 have you done online shopping

Graph no 4 have you done online shopping

Interpretation

According to the survey the 75% had done online shopping and other 25% never done online shopping.

➤ Products purchased through online shopping

SL.NO	PRODUCTS	NUMBER OF RESPONDENT	PERCENTAGE
1	APPARELS	56	44
2	ACCESSORIES	25	19

3	BOOKS	7	5
4	FOOTWEAR	9	7
5	LINGERIE	2	2
6	BAGS	9	7
7	OTHERS	21	16
TOTAL		**129**	**100**

Table no 5 products purchased through online

Graph no 5 products purchased through online

Interpretation

According to the survey 44% purchased products are apparels, 19% are accessories, 5% are books, 7% are footwear, 2% are lingerie, 7% are bags and 16% are other products. Apparels are the most preferred products it may be due to the wide range of collection and variety of brands.

➢ Family support for online shopping

Table no 6 family support for online shopping

SL.NO	DOES YOUR FAMILY ENCOURAGE	NUMBER OF RESPONDENT	PERCENTAGE
1	YES	77	61
2	NO	50	39
	TOTAL	127	100
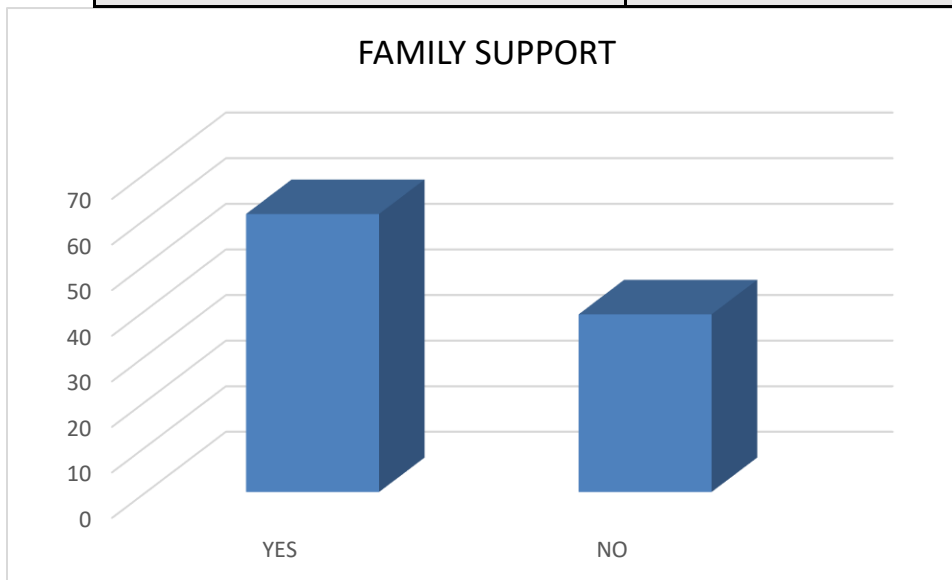
Graph no 6 family support for online shopping

Interpretation

According to the survey 61% respondent's family has the support for online shopping, and other 39% respondents family discourage online shopping. The family discouragement may be due to risk of transaction or cheap quality product.

➢ Purchase influences by

SL.NO	PURCHASE INFLUENCED BY	NUMBER OF RESPONDENT	PERCENTAGE
1	SIBLINGS	27	18
2	PARANTS	45	31
3	FRIENDS	41	28
4	NONE OF ABOVE	33	23
	TOTAL	146	100

Table no 7 purchase influenced by
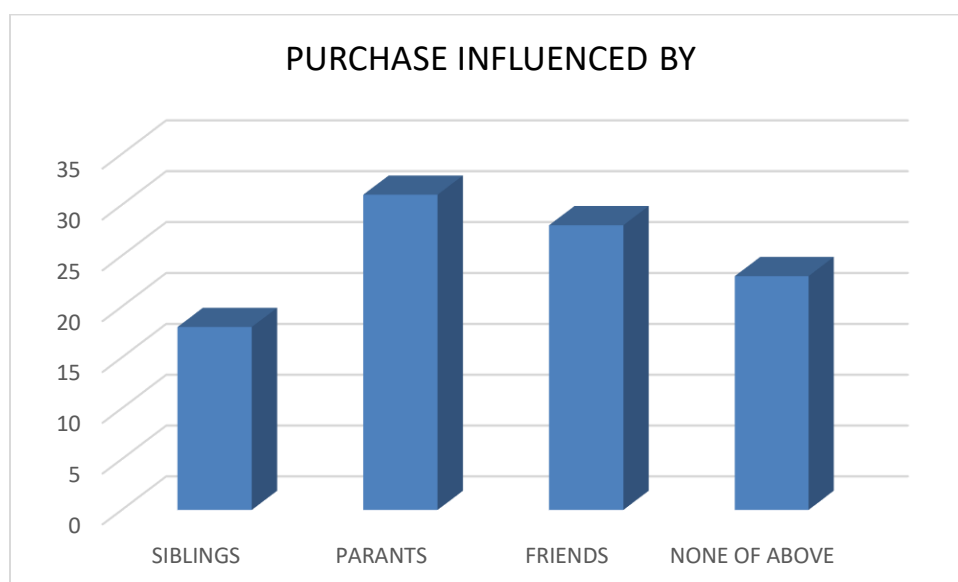

Graph no 7 purchase influenced by

Interpretation

According to the survey of purchasing decision, 31% parents control-purchasing decision, 28% is decided by friend's decision, 18% is decided by sibling decision and other 23% says the decision making process is by themselves

➢ Purchase intervals

SL.NO	PURCHASE INTERVALS	NUMBER OF RESPONDENT	PERCENTAGE
1	ONCE IN A MONTH	17	17
2	2-3 TIMES A MONTH	12	12
3	ABOUT ONCE EVERY 2 MONTH	33	33
4	OTHERS	37	38
	TOTAL	99	100

Table no 8-purchase intervals
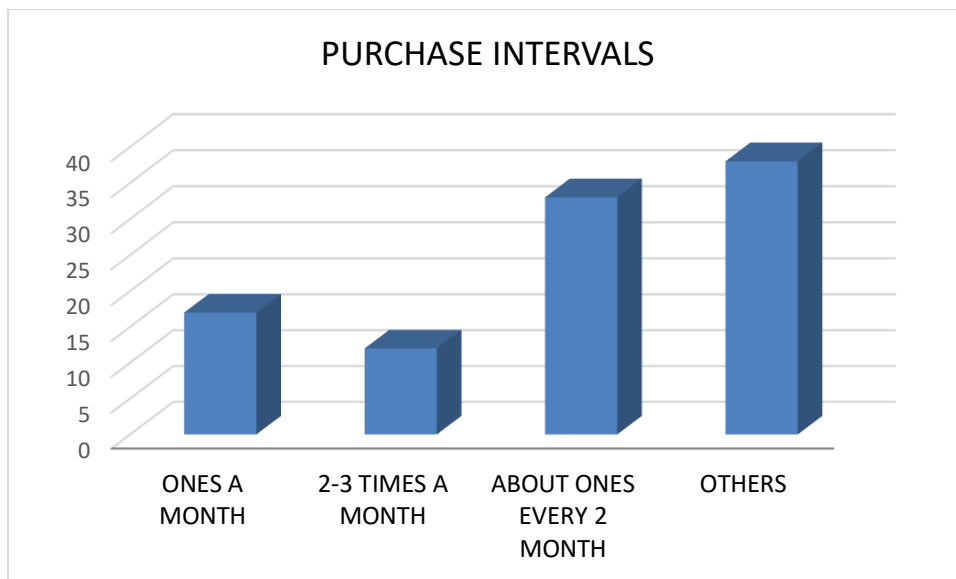
Graph no 8 purchase intervals

Interpretation

According to the survey 17% respondent's purchase once in a month, 12% respondents purchase 2-3 times a month, 33% respondents purchase about once every 2 month and other 38% respondent's have different purchasing interval

➢ Problem with online shopping

SL.NO	ANY PROBLEM WITH ONLINE SHOPPING	NUMBER OF RESPONDENT	PERCENTAGE
1	YES	40	70
2	NO	17	30
TOTAL		57	100

Table no 9 problem with online shopping


Graph no 9 any problem with online shopping

Interpretation

According to the survey 70% of respondents had problems while conducting online purchase and other 30% didn't faced any problem during online shopping.

➢ Nature of online shopping

SL.NO	PROBLEM WITH ONLINE SHOPPING	NUMBER OF RESPONDENT	PERCENTAGE
1	DELAY IN DELIVERY	18	28
2	CHEAP QUALITY OF PRODUCT	19	30
3	PRODUCT DAMAGE	20	32
4	NON DELIVERY	5	8
5	OTHERS	1	2
	TOTAL	63	100

Table no 10 Nature of online shopping
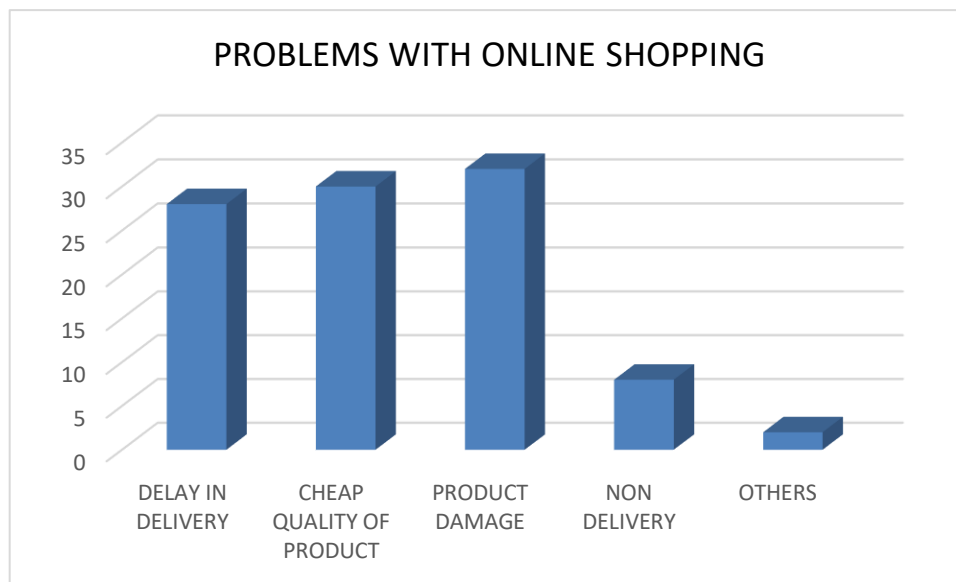
Graph no 10 Nature of online shopping

Interpretation

According to the survey the 32% had product damage, 30% had cheap product quality, 28% had delay in delivery, 8% had non-delivery and 2% had other problems.

➢ Reason for not doing online shopping

SL.NO	REASON FOR NOT DOING ONLINE SHOPPING	NUMBER OF RESPONDENT	PERCENTAGE
1	DON'T KNOW ABOUT ONLINE SHOPPING	9	29
2	RISK OF CREDIT CARD TRANSCATION	8	26
3	INTERNET ILLITERACY	1	3
4	RISK OF IDENTITY THEFT	6	19
5	OTHERS	7	23
TOTAL		**31**	**100**

Table no 11 Reason for not doing online shopping

Graph no 11 Reason for not doing online shopping

Interpretation

According to the survey 29% is unaware of online shopping, 26% has risk of credit transaction, 3% is Internet illiteracy, and 19% risk of identity theft and other 23% has other issues.

SUMMARY AND CONCLUSION

The study of online marketing and consumer behaviour focused on consumer behaviour and customer satisfaction in online purchasing. The data was collected via questionnaire. Most of the people are aware of online shopping and some are regularly purchasing the products. The others are aware of online shopping but due to problems they faced during the purchasing leads them to discourage their purchasing. Some others had never done online shopping due risk of transaction and process of online shopping. The decision making process during the purchasing is mainly decided by parents and friends. Only a few people make their own decision in purchasing, may be due to their perspectives.

Mostly preferred product is apparel and least preferred products are lingerie

It may be due to size problems. The consumers prefer good quality products while purchasing online.

The study conducted shows that only a few are interested in online shopping. Majority of people are not interested due to problems they faced during purchasing. Only few consumers are satisfied with their purchasing. The decision making process is always up to consumers perception.

BIBLIOGRAPHY

1. Blackwell, R., Miniard, P. and Engel, J. (2006) "Consumer behavior", Mason: Thompson

2. Egan, J. (2007) "Marketing Communications", London: Cengage Learning

3. Enis, B.M. (1974) "Marketing Principles: The Management Process"

4. Gabbott, M. and Hogg, G. (1998). "Consumers and services", Chichester: John Wiley & Sons.

5. Kotler, P. and Keller, K. (2011) "Marketing Management"(14th edition), London: Pearson Education

6. Kumar, P. (2010) "Marketing of Hospitality & Tourism Services" Tata McGraw-Hill Education

7. Schiffman, L., Hansen H. and Kanuk L. (2007) "Consumer Behaviour: A European Outlook", London: Pearson Education

8. Solomon, M. (1995) "Consumer Behaviour" (3rd edition), New Jersey: Prentice Hall

9. Stall worth, P. (2008) "Consumer behaviour and marketing strategic", online, pp.9.

10.Suchen November 11 2017 "History of Marketing"

11. Maignan, I.; Lukas, B., "The nature and social uses of the Internet: a qualitative investigation", Journal of Consumer Affairs, Vol. 31, No. 2, pp. 346-371, 1997.

12. Sultan, F., Henrichs, R.B., "Consumer preferences for Internet services over time: initial explorations", The Journal of Consumer Marketing, 17(5), pp. 386-403, 2000.

APPENDIX

ST.TERESA'S COLLEGE, ERNAKULAM (AUTONOMOUS)

Research Questionnaire

The researcher is conducting a survey concerning online purchasing and satisfaction of consumers. To enable the researcher to make conclusion and recommendations for this study, it would be very much appreciated if you answer all the items in the questionnaire.

Information's given will be treated in strictly confidential.

Thank you,

Twinkle Rose

Master's in Fashion Designing

Basic Information

1) Name   :
2) Gender   :   Male   ☐   Female   ☐
3) Age   :
4) Marital status   :   Single   ☐   Married   ☐
5) Course of study   :   Business   ☐   Non-business   ☐
6) Monthly income   :

Please read each questions carefully and indicate your response by selecting most appropriate choice

1. What is your first preference when purchasing apparels?
   a. Fashion
   b. Brand popularity
   c. Good quality
   d. Value for money

2. Where do you shop for apparels?
   a. Internet
   b. Department stores
   c. Stores in high streets/shopping mall
   d. All of above

3. Are you aware of online shopping?
   a. Yes
   b. No

4. Have you ever done online shopping?
   a. Yes
   b. No

5. What kind of commodity did you purchase through online shopping?
   Please specify…………………………………………………………

6. Does your family encourage you with online purchasing?
   a. Yes
   b. No

7. Is your decision making process for purchasing influenced by:
   a. Siblings
   b. Parents
   c. Friends
   d. None of the above

8. How often do you purchase online?
   a. Once a month
   b. 2-3 times a month
   c. About once every two months
   d. Others-please
      specify……………………………………………………

9. Have you felt any problem while conducting online purchase?
   a. Yes
   b. No

10. If yes, what kind of problem?
   a. Delay in delivery
   b. Cheap quality of product
   c. Product damage
   d. Non-delivery
   e. Others-please
      specify…………………………………………………………

11. If you never done online shopping, please specify the reason.
   a) I don't know about online shopping
   b) Risk of credit card transaction
   c) Internet illiteracy
   d) Risk of identity theft
   e) Others- please specify ……………………………………