LITERATURE REVIEW

E-Business probably began with electronic data interchange in the 1960s (Zwass, 1996). However, (Melao, 2008) suggests that it was only in the 1990s, primarily via the Internet, that e-Business has emerged as a core feature of many organizations. In his opinion, the hope was that e-Business would revolutionize the ways in which organizations interact with customers, employees, suppliers and partners. Some saw e- Business as part of a recipe to stay competitive in the global economy.

Christy M. K. Cheung, Lei Zhu, Timothy Kwong, Gloria W.W. Chan, Moez Limayem, (2002) The topic of online consumer behavior has been examined under various contexts over the years. Although researchers from a variety of business disciplines have made significant progress over the past few years, the scope of these studies is rather broad, the studies appear relatively fragmented and no unifying theoretical model is found in this research area. In view of this, provide an exhaustive review of the literature and propose a research framework with three key building blocks (intention, adoption, and continuance) so as to analyze the online consumer behavior in a systematic way. This proposed framework not only provides us with a cohesive view of online consumer behavior, but also serves as a salient guideline for researchers in this area.

Burke, R.R. (2002), Trust is a key factor that determines the success of Business to Consumer (B2C) e-commerce transactions. Previous researchers have identified several critical factors that influence trust in the context of online shopping. This research focuses on available security measures which assure online shopper’s safety and great sales promotions and online deals which stimulate customers to shop online.

Abel Stephen (2003) in his paper represents the findings of research studies that address e-commerce design and associated consumer behavior. The innovation of e-commerce has affected not only the marketplace through the facilitation of the exchange of goods and services, but also human behavior in response to the mechanisms of online services. Researchers have identified and hypothesized on relevant subject matters ranging from
Web usability, marketing channels and other factors influencing online buying behavior. Though researchers have focused on what appear different aspects of online buying behavior, their studies may be shown to be interrelated and interdependent, even to the extent of revealing constructs upon which e-commerce, in terms of future design and research, could be built.

**Balasubramanian, S., Konana, P. and Menon, N.M. (2003),** In this environment, some traditional service quality dimensions that determine customer satisfaction, such as the physical appearance of facilities, employees, and equipment, and employees’ responsiveness and empathy are unobservable. In contrast, trust may play a central role here in enhancing customer satisfaction. Model trust as an endogenously formed entity that ultimately impacts customer satisfaction, and we elucidate the linkages between trust and other factors related to the performance of the online service provider and to the service environment.

**Rajeev Kamineni (2004)** in his study finds that World Wide Web can change human behaviour and human interactions to a very large extent. Web based shopping behaviour is one major example to point out the trends in this direction. This study is of a very exploratory nature and it intends to establish the differences between several web-based shoppers from different parts of the world. Several critical factors associated with online shopping behaviour have been explored. A cross cultural data set has been collected and an illustrative description of the shoppers has been provided. As a final step the cross cultural differences between several shoppers explored.

**Archana Shrivastava, Ujwal Lanjewar, (2011)** in online buying, the rate of diffusion and adoption of the online buying amongst consumers is still relatively low in India. In view of above problem an empirical study of online buying behavior was undertaken. Based on literature review, four predominant psychographic parameters namely attitude, motivation, personality and trust were studied with respect to online buying. The online buying decision process models based on all the four parameters were designed after statistical analysis. These models were integrated with business intelligence, knowledge management and data mining to design Behavioral Business Intelligence framework with a cohesive view of online buyer behavior.
Research of the Internet shopper has typically included demographic questions of age, education and household income (Fram & Grandy, 1995).

Over time the Internet buyer, once considered the innovator or early adopter, has changed. While once young, professional males with higher educational levels, incomes, tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channels (Ernst & Young, 2001; Mahajan, Muller & Bass, 1990), today’s Internet buyer shows a diversity of income and education (U. S. Dept. of Commerce, 2003).

For Internet buyers, gender, marital status, residential location, age, education, and household income were frequently found to be important predictors of Internet purchasing (Fram & Grady, 1997; Kunz, 1997; Mehta & Sivadas, 1995; Sultan & Henrichs, 2000). Sultan and Henrichs (2000) reported that the consumer’s willingness to and preference for adopting the Internet as his or her shopping medium was also positively related to income, household size, and innovativeness. In 2000, women represented the major online holiday season buyer (Rainne, 2002; Sultan & Henrichs, 2000). According to a report by the Pew Research Center (2001), the number of women (58%) who bought online exceeded the number of men (42%) by 16%. Among the woman who bought, 37% reported enjoying the experience “a lot” compared to only 17% of male shoppers who enjoyed the experience “a lot”. Akhter (2002) indicated that more educated, younger, males, and wealthier people in contrast to less educated, older, females, and less wealthier are more likely to use the Internet for purchasing.

With India turning net savvy, online shopping has become the latest fad in India with most of the net surfers recommending internet shopping. The study, conducted by Internet and Mobile Association of India (IAMAI, 2006) in collaboration with cross tab marketing services, clearly established the dominance of people-to-people (P2P) reference in online shopping space, with 31% respondents finding such sites through word of mouth. As much as 55% visitors to e-commerce sites have adopted internet as a shopping medium, out of which 25% of regular shoppers are in the 18-25 age group, while 46% in the 26-35 age group and 18% in the 35-45 age group.
A survey undertaken by JuxtConsult, (April 2007), a Delhi-based online research firm, on 10,000 households in 31 cities (of population sizes 20,000 plus) revealed some interesting facts about the Internet shopping scenario in India. As per research findings, eBay (excluding online travel websites) is the most preferred site for online shopping followed by Rediff, Google and Yahoo. eBay leads with 34 per cent online shoppers still preferring to visit it the most. Rediff follows at the second spot with 25 per cent online shoppers preferring to visit it. However, both eBay and Rediff have lost usage share on preferred basis in the last one year, while new entrant Futurebazaar along with Google have been the biggest gainers. The top two of the top 10 products bought on the Net by online buyers are train tickets (53 per cent) and air tickets (45 per cent). The research also showed that three-fourth of all regular online Indians (76 per cent) search for products and services online. This has shown a 60 per cent growth in the base of online shoppers in last one year, making it 19.1 million. When it comes to the base of actual online buyers, 43 per cent of all regular online urban Indians have bought online. This means a growth of 76 per cent over the last year, making the online buyer base reach a healthy 10.8 million mark. Despite such tremendous growth in the number of online buyers overall, the base of really ‘active’ online buyers (those who buy online at least once a month) is almost stagnant at 2.2 million (same as last year). However, the fact that online buying is penetrating among the smaller towns and lower section groups do not necessarily mean that the economic profile of the online buyers is lowering. The biggest ‘qualitative gain’ about online shopping is its improved perception on highly important and hardcore ‘market place’ factors like ‘wider choice and availability of products’ and ‘better prices and bargains’, and not just on the ‘convenience’ factors like saving of time and efforts, home delivery and flexibility of buying anytime. Yet ‘product quality’ and ‘delivery’ concerns may be negating some of the gains made. Though ‘misuse of a credit card’ is a non-issue among online buyers, the research reveals that ‘lack of a credit card’ is still a strongly perceived roadblock to growth of online buying.

A survey conducted by MasterCard worldwide, (2008), on 5037 respondents across 10 markets: Australia, China, Hong Kong, India, Japan, Singapore, South Korea, Thailand, UAE and South Africa, revealed that Online shopping in the Asia-Pacific region is
accelerating at an annual rate of 23.3 percent to hit US $168.7 billion by 2011, with the region's new markets such as China and India fuelling this growth. MasterCard Worldwide published its latest Insights Report, “Economic Crisis and Preference for Online Shopping in Asia/Pacific, Middle East and Africa”, which shows that in India the average frequency of online purchases increased to 2.9 in fourth quarter of 2008, up from 2.6 during the same quarter in 2007. The survey showed that the Asia-Pacific region was found to be an active one for online shopping, where 76 percent of respondents said they intend to make a purchase in the next six months. The survey also highlighted the rise of shoppers in the fast-growing markets of China and India. The rising population of upper-middle income urban elites is likely to boost the online shopping markets in China and India underpinned by a paid pace of urbanization, robust economic expansion and rising spending power. Activity from these markets is expected to topple the current "pre-eminence" of Japan and South Korea in terms of share of the total online.

Study by Vijay, Sai. T. & Balaji, M. S. (2009), revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online shopping format. However, in spite of the convenience offered, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so.

A study by ACNielsen (2009), covering 38 markets and over 21,100 respondents across the globe has revealed that more Indians are taking to shopping online. It suggested an upward trend in online shopping across the world. A significant observation of this study was that India beat the global counterparts in number of purchases per month, with a mean of 5.2 purchases against the global average of 4.9. In India, books followed airline reservations closely, with 35% of netizens buying them online. Nearly 24% have bought electronic items and more than 20% have purchased items such as apparel, music and electronic entertainment such as movies, DVDs and games. The most favoured mode of
payment for online purchases in India is the use of credit cards followed by cash-on-delivery. Online shopping in India is poised for greater acceleration as more manufacturers and providers integrate the Internet into their sales model. As PC and internet penetration grows, the key to increasing online purchases will remain in the hands of marketers in India.

In nutshell, in the age of shopping mall, many people use the internet for their shopping requirements. Studies on on-line shoppers in India have largely been limited to their time, usage, convenience and money spending pattern, and preferences for a particular format. It has been found in the studies in other countries that shoppers also differ in terms of their demographic profile. Therefore, this study attempts to understand the impact of demographic factors of shoppers that influence their disposition towards on-line shopping in India.