

"The Role Of Dynamic Pricing And Personalized Discounts In Shaping Online Consumer Behavior"

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ABSTRACT

Online shopping is a type of electronic commerce in which customers use web browsers to purchase goods or services directly from merchants via the Internet. This manner of shopping exemplifies the ongoing corporate transformation caused by e-commerce. It has streamlined and expanded the way people and businesses innovate. Consumer behavior when purchasing online differs significantly from that in physical locations, where things may be scrutinized in person. As a result, traditional brick-and-mortar retailers are gradually being supplanted by online purchasing platforms. Consumers' faith in e-commerce platforms has steadily grown. While the rise of these platforms has increased competition, resulting in better and more affordable products for customers, privacy concerns remain true. The Internet has transformed the way people buy things and services, becoming a global phenomenon. Promotions, cash-on-delivery discounts, and technology-driven components such as quality assurance all have a significant impact on consumer attitudes about online purchasing. The purpose of this study paper is to investigate customer behavior in relation to online purchases, as well as the numerous aspects that influence the online buying trend.

Keywords: Online Shopping, E-commerce, Consumer Behavior, Promotions, Technology and Quality Assurance

I. INTRODUCTION

The advent of online shopping has introduced a new notion and created limitless possibilities for everyone. India now ranks behind the United States and Japan in terms of online shopping adoption. Online shopping, the fastest-growing area in e-commerce, has seen remarkable increase over the last decade, fueled by the Internet, which has become the most rapidly increasing media. Consumers now have 24/7 access to the Internet from home and at work. This technological innovation has drastically altered how individuals buy goods and services, transforming internet shopping into a global phenomenon. Many firms have turned to online platforms to slash marketing expenses and, as a result, lower product and service prices in highly competitive industries. They also utilize the Internet to share, communicate, and disseminate information, market products, solicit customer feedback, and perform surveys. Customers use the Internet not just to make purchases, but also to compare pricing, product features, and after-sales services from other vendors. Furthermore, the Internet provides distinct benefits for firms seeking to better communication with both present and prospective customers, hence expanding the e-commerce sector's potential.

Online Shopping and E-Commerce in India

Electronic commerce, a relatively new phenomena, is increasingly reliant on internet and mobile phone advancements to radically alter how businesses interact with their customers. Increased consumer demand for durable goods, electronics, apparel, and accessories, as well as classic products like audiovisual equipment and books, is predicted to boost sector growth. The invention and expansion of the Internet has been one of the most significant developments of this century. E-commerce has made significant growth in India, ushering in a new era of retailing. Since its inception in 1999-2000, e-commerce in India has grown into a thriving marketplace with a wide selection of products. To widen their client base and reach a worldwide market, most firms today use the internet to exhibit their products and services. The introduction of the internet and computers has radically altered regular transactions, such as online buying. Consumers may now conveniently

buy a wide range of items—from digital cameras and mobile phones to video games, movie tickets, and trip reservations—from home, work, cyber cafés, or anywhere in the world. Security, convenience, simplicity, and ease of use are important considerations for online buyers.

The rapid adoption of mobile and internet technology, together with rising acceptance of online payments and positive demographic trends, creates a unique opportunity for the e-commerce business. Compared to previous years, e-commerce is expected to generate several times more revenue, with branded products available at lower rates and delivered straight to customers' homes.

The internet retail market in India has grown steadily and significantly over the years. By 2018, the Indian online retail sector was expected to reach \$14.5 billion, a fourfold rise fueled by the country's strong e-commerce growth. According to Statista.com, the number of worldwide internet shoppers increased from 1.12 billion in 2014 to 1.32 billion in 2016. In 2015, India had 408.4 million internet users, and this figure is predicted to rise to 635.8 million by 2021. Despite its latent potential, India is currently the world's second-largest internet market.

Millions of new internet users have access to affordable mobile connections for shopping, texting, video streaming, and other services, driving the country's e-commerce growth. By 2016, local internet usage had increased to 26% of the population, roughly tenfold from a decade before. According to market forecasts, by 2021, 37.36% of the Indian population will use mobile phones to access the internet, creating huge prospects for digital and mobile commerce. Furthermore, whereas men have traditionally made up roughly two-thirds of online buyers in India, female online consumers are predicted to account for 42% of e-commerce spending by 2020, up from only 20% in 2015.

Consumer Behavior towards E-Commerce in India, which is the second-largest consumer market in the world, consumer profiles have undergone changes in categories such as education, income, age, gender, occupation, and reference. As technology advances, consumer preferences for brands are shifting towards high-end technologies. Consumer behavior towards e-commerce in India exhibits a positive correlation with variables like household size, income, and innovativeness. An increasing number of individuals globally are transitioning from traditional brick-and-mortar stores to online shopping, which offers the convenience of purchasing products with a single click. However, despite the convenience of e-commerce, it is not the preferred mode of shopping in India. A survey of 150 internet users, including both online shoppers and non-shoppers, revealed that Indian consumers are deterred from e-commerce due to concerns regarding security and privacy, whereas time savings and convenience are their primary motivations. The willingness of consumers to conduct pre-purchase research significantly contributes to the probability of their making e-commerce purchases. It is essential for individuals to possess computer literacy to engage in e-commerce. Those lacking proficiency with computers are more likely to opt for physical markets over e-stores due to the faster speed of the former. Another traditional advertising channel is the home catalog, which provides a diverse selection of products enabling customers to shop from the comfort of their own homes. Orders can be placed via email or telephone, although customers cannot hold or feel products before purchasing. Despite these limitations, this channel remains convenient [2]. Consumer behavior refers to all human acts that are engaged in the decision-making process. Understanding customer behavior enables a marketer to develop marketing tactics that are aligned with the desires and needs of the target audience. Consumer behavior and expectations can be divided into four categories: cultural, socioeconomic, personal, and psychological. In addition to family size and age, socioeconomic factors influencing consumer behavior include marital status, occupation, education, and income. Given the current economic situation and the realization of the importance of the passenger automobile sector, scholarly research has looked into consumer attitudes and actions about the product. As the cliché goes, what were once considered luxuries are now essentials. Automobiles are no longer regarded a luxury as the digital age has arrived. Specific product characteristics have been recognized as influencing consumer satisfaction and purchasing decisions [3]. Brand influence on consumer behavior is more prominent among women than men. The distinction can be ascribed to brand familiarity, customer loyalty, and symbolic value. Females have a more marked purchase experience and product choices than males do. It has also been observed that brands have a stronger influence on consumer behavior among families with lower monthly incomes [4]. A significant link has been found between gender and customers' brand preference for durable consumer items during each purchase [5]. However, no substantial relationship has been discovered between gender and the location of purchasing. Online shopping is getting more popular, especially among the younger demographic. However, in today's context, e-marketing must broaden its reach in order to maintain its popularity across all age groups. The form of payment depends on the consumer's income. Individuals of diverse ages make regular online purchases. Consumer attitudes are gradually changing. Consumers in India are more comfortable with online shopping due to features such as home delivery, cash on delivery, and website customization or personalization [6]. According to a case study of Flipkart.com consumers in Lucknow, the future of e-commerce in India is bright. Online merchants provide consumers the most cost-effective and time-efficient way to make purchases within their budgets. Flipkart.com offers a completely hassle-free shopping experience at some of the most competitive pricing accessible. Consumer purchasing and behavior have been significantly altered by the introduction of online shopping; thus, the success of e-retailers in India is dependent on their reputation, distinct policies, and level of popularity [7].

Individuals with higher incomes and levels of education are increasingly making purchases on e-commerce platforms. However, there are ongoing concerns about the security of internet shopping. Furthermore, people

are averse to change because of the technological complexity of internet buying. Organizations involved in e-commerce should prioritize the construction of trustworthy links between vendors and customers [8]. The mobile phone industry in India has experienced a significant increase in popularity in recent years. There has been a substantial rise in individuals' attachment to smartphones. The widespread adoption of mobile devices, particularly smartphones, in conjunction with the growth in mobile internet usage, has facilitated the online shopping process. Mobile phones now frequently incorporate television capabilities. The global proliferation of mobile devices has increased exponentially due to the expansion of digital connectivity and mobility. The worldwide market for mobile devices has grown at an unprecedented rate. Globally, mobile phone services are recognized as a crucial tool for a country's socioeconomic development. India currently ranks as the world's second-largest telecommunications market, having undergone considerable growth in recent years. The expansion of India's telecommunications industry can be attributed to government reform initiatives, private sector involvement, and advancements in wireless technology. Due to intense competition, operators must establish robust partnerships with mobile handset manufacturers and software developers to align their handset offerings with consumer preferences and needs. India is one of the fastest-growing e-commerce markets globally, owing to millions of new internet users accessing affordable mobile connections. Recent market research suggests that mobile phone internet penetration in India could increase from 26% in 2016 to 37.36% in 2021, presenting a significant opportunity for digital and mobile consumers.

The Internet has emerged as a novel business tool and intermediary between companies and their customers. It is now a self-sustaining, collaborative, and public resource accessible to hundreds of millions of individuals worldwide. Internet usage is currently acknowledged as a significant and effective communication channel that is challenging traditional methods [9]. India has emerged as one of the most rapidly expanding global economies, with projections indicating it will attain the position of the fourth-largest economy by 2050. The mobile phone sector exemplifies this technological advancement. Consumer behavior significantly influences the strategic decisions made by companies in the mobile industry. A primary challenge for these firms in technology-driven markets is comprehending consumer purchasing patterns and attitudes. Given India's status as an emerging market with diverse cultural traditions, it is imperative for mobile companies to thoroughly understand consumer buying behavior and mobile phone purchasing trends among Indian consumers. As globalization progresses and the country undergoes transformation, numerous mobile companies are entering the Indian market, recognizing its substantial growth potential. The mobile sector has experienced considerable expansion, with mobile market penetration surpassing all other forms of communication [10].

Factors Affecting Consumer Behavior in Online Shopping.

Online retailers' provision of continuous accessibility has facilitated browsing for customers. Several factors influence consumers, including the ability to make purchases at any time and location with secure, convenient payment options. Consumers can economize time and financial resources by comparing prices and products across online stores. Additional significant factors shaping consumer attitudes toward online shopping include the availability of product and service information online, the ability to compare purchases with other items, prompt delivery, the quality and content of the online shopping platform, and the security measures implemented to protect customer identities and ensure seamless transactions [11].

Consumer behavior encompasses both cognitive and physical activities, as well as the decision-making process through which individuals acquire, utilize, or dispose of goods and services. It is an academic discipline that examines the actions and choices consumers make when seeking, purchasing, using, evaluating, and discarding products and services they believe will fulfill their needs [12]. As the ultimate consumers of a company's offerings, individuals are consistently targeted by businesses aiming to increase their sales and profits. The field of consumer behavior is multidisciplinary, incorporating theories and concepts about individuals developed by behavioral scientists, philosophers, and researchers from various disciplines, including sociology, economics, psychology, social psychology, and cultural anthropology, among others. Understanding consumer behavior enables management to comprehend customer needs, identify consumer potential in relation to emerging technologies, and develop innovative solutions that meet consumer demands for widespread market acceptance. Two primary categories of factors influence consumer purchasing decisions: individual and environmental. Individual factors that significantly impact consumer behavior encompass lifestyle preferences, consumer knowledge, perception, learning, motivation, personality traits, and beliefs and attitudes. The second category consists of environmental factors, which are external elements affecting individual buying choices. These include cultural background, social class, reference groups, family dynamics, and domestic circumstances. These factors serve as the principal determinants guiding consumers in their selection of specific products or services [13]. Purchasing patterns exhibit variation among individuals from diverse geographic areas, sociocultural backgrounds, and age groups across various product categories. Multiple elements, including cultural, social, personal, and psychological factors, influence a consumer's ultimate purchasing decision.

Cultural Influences

Consumer behavior is significantly influenced by cultural aspects, such as social class and regional customs. Culture, an integral component of every society, impacts purchasing habits differentially across regions. Various elements constitute each culture, including religious beliefs, nationalities, geographical areas, and ethnic communities. Marketers can utilize these categories to segment the market into smaller subsets. Culture can be conceptualized as a lifestyle that is transmitted through generations and is subject to temporal evolution. The concept is continuously evolving, integrating traditional and contemporary ideas. Various social groups frequently demonstrate distinct consumption patterns and objectives. Disparities in purchasing power among these groups result in socioeconomic inequalities. Some researchers posit that purchasing behaviors and patterns may serve as indicators of social class affiliation. Consequently, marketing strategies could be tailored to align with diverse social strata. Social Elements Social factors exert influence on consumer purchasing behavior. Primary social determinants include reference groups, family dynamics, roles, and social status. Reference groups have the capacity to shape an individual's attitudes or behaviors. Their impact varies depending on the product or brand in question. A reference group, whether actual or perceived, is considered significant in influencing an individual's evaluations, aspirations, or behaviors. Reference groups influence consumers through value expression and informational utility [14].

Family structure significantly affects consumer purchasing decisions. As a result, marketers are endeavoring to comprehend the roles and influence of spouses, children, and parents. When wives exert influence on product purchases, marketers target their advertisements towards women. An individual's social position and role are contingent upon their affiliations with groups, clubs, families, or organizations. For instance, a woman employed as a company's finance manager simultaneously fulfills the roles of both a mother and a finance professional. Consumer behavior is influenced by individual characteristics. Key personal factors affecting purchasing decisions include lifestyle, economic situation, occupation, age, family life stage, personality, and self-concept. As individuals age and progress through different life stages, their product and service preferences evolve. The family life cycle, encompassing young singles, married couples, and unmarried partners, assists manufacturers in developing stage-appropriate products. Occupation significantly impacts consumer choices; for instance, a company's marketing manager might prioritize business attire, while entry-level staff may opt for more economical clothing. Financial circumstances play a crucial role in shaping consumer behavior, with higher-income individuals having access to a broader range of expensive products, and those with lower incomes selecting more affordable options. Lifestyle, which refers to an individual's way of living in society and the items they purchase, is another vital factor influencing purchasing behavior. Personality, which varies among individuals, across time, and between locations, greatly affects consumer decisions. It encompasses all the traits that define an individual. Consumer purchasing decisions are influenced by four primary psychological factors: attitudes, beliefs, motivation, and perception. The extent of motivation plays a significant role in shaping consumer buying behavior. Individuals possess various needs, including those related to physiology, biology, and social interactions. Perception encompasses the selection, organization, and interpretation of information to construct a meaningful understanding of the world. This process comprises three distinct components: selective attention, distortion, and retention. Consumers develop specific beliefs and attitudes towards various products. Marketers are particularly interested in these beliefs and attitudes as they contribute to brand image and influence purchasing decisions. Collectively, these factors form a comprehensive model that accurately represents consumer decision-making processes. The primary determinants and decision-making process significantly influence consumer preferences and behaviors [15].

II. CONCLUSION

The past few years have witnessed a significant increase in the number of individuals engaging in e-commerce. This intensifying competition has necessitated businesses to implement innovative media, marketing strategies, and conceptual frameworks to attract consumers to their websites and stimulate purchases. The future of online shopping will be influenced by the nation's growing population of Internet-proficient users, with projections indicating approximately 180 million broadband subscribers by 2020, alongside an expanding demographic of mobile Internet users.

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