Project Dissertation Report on

Consumer Buying Behaviour in E-Commerce & Effect of Changes in FDI Policy on Consumers

Submitted By

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CERTIFICATION

This is to certify that the Project dissertation titled "**Consumer Buying Behaviour in E-Commerce & Effect of Changes in FDI Policy in E-Commerce**" is an academic work done by Divyang Singh, Roll no. – 2K18/MBA/010, MBA Semester -4, submitted in the partial fulfillment of the requirement for the award of the degree of Master of Business Administration from Delhi School of Management, Delhi, under my guidance & direction. To the best of my knowledge and belief, the data & information presented by him/her in the report has not been submitted earlier.

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DECLARATION

I hereby declare that this project dissertation submitted to Delhi School of Management, Delhi Technical University is a record of an official work done by me under the guidance of Mr. Dhiraj Pal, Ass. Professor. The project is submitted in the partial fulfillment of the requirements for the award of the degree of Master of Business Studies. The results embodied have not been submitted to any other University or Institute for the award of any degree or diploma.

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Sincerely,

Divyang Singh

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EXECUTIVE SUMMARY

The rapidly changing technological advancements have made the world a small place to live in. In this age of globalization, when internet access has become a vital and an indispensable part of our lives, we can understand the span of consumer base active on the internet.

Various ECommerce websites have emerged in the online business scenario. Many international companies have entered in this segment to emerge as leaders. Companies like Flipkart, Amazon, Snapdeal etc. have got a strong hold in the Online shopping segment.

Recently, on 26th December, 2018, the Government made some changes in the policy on Foreign Direct Investment (FDI) in ECommerce, which has shaken up the Online business by these companies. The changes made in the policy have been discussed   project, and the impact it has done on the consumers and how their buying behaviour has changed over the period before and after the implementation of this policy on 1st February, 2019 andhow FDI policy will affect in the future(nearly 10 years after policy implementation) have been studied.

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Chapter-1 Introduction

The introduction chapter will be explaining the purpose of my research. Here, the search questions, limitations and a background will be presented.

1.1 Background

The innovation of the Internet has made model move of the current way individuals shop. A buyer is not, at this point bound to opening occasions or explicit areas; he can get dynamic at for all intents and purposes whenever and spot and buy items or administrations. The Internet is a for the most part new system for correspondence and information exchange that has gotten present in our ordinary everyday presence. The amount of Internet customers is consistently growing which moreover implies that online purchasing is extending. The quick addition is explained by the improvement in the usage of broadband advancement got together with a change in client direct.

The Internet is seen as a mass medium that outfits the buyer with purchase characteristics as no other medium. Certain characteristics are making it progressively supportive for the customer, diverged from the ordinary technique for shopping, for instance, the ability to at whatever point view and purchase things, envision their necessities with things, and discussion about things with various purchasers. Oppenheim and Ward (2006) explain that the current fundamental clarification people shop over the Internet is the solace. They in like manner see that the past fundamental reason behind shopping on the web was esteem, which has now changed to convenience.

Electronic shopping is the technique purchasers experience when they decide to shop on the Internet. The Internet has framed into "another" allotment channel and the improvement of this channel, electronic business has been recognized to be the most immense responsibility of the information distress. Using the Internet to shop online has gotten one of the fundamental inspirations to use the Internet, got together with searching for things and finding information about them. The buyers have never moved toward such gigantic quantities of suppliers and thing/organization appraisals. In like manner, the Internet has made to a particularly genuine market, where the restriction over the customer is savage. In order to influence and hold customers, in a genuine market, the underlying advance is to perceive certain affecting perspectives when purchasing on the web, these can be seen as parts.

1.2 Problem Statement

Since online retailing is a new retailing medium and online consumer behaviour is diverse from traditional consumer behaviour, one must identify what influences the online consumer. Analysing the process that the online consumer goes through when deciding and making a purchase over the Internet, shows some factors that consumers consider. These factors need to be identified and taken into account by online retailers in order to satisfy consumer demands and compete in the online market. To further understand how these factors, influence different types of consumers, I must identify segments which will enable us to make comparisons.

The Indian government implemented several restrictive changes to India's FDI policy for e-commerce. The new rules state that online marketplaces can no longer enter into exclusive deals for selling products on their platforms nor can they have a single vendor supply more than a quarter of the inventory. Among other things, the government has barred online marketplaces from entering into exclusive deals for selling products on their platforms and said that not more than 25% of the inventory on an e-commerce platform can be from a single vendor.The government also restricted marketplaces from influencing prices in a bid to curb deep discounting. While it benefitted online retailers, this practice had left small traders and sellers particularly miffed as they could not match the deep discounts large companies offered.

1.3 Objectives of Study

To analyze and identifying factors that influence the consumer when he or she decides to purchase on the Internet. Since the Internet is a new medium for there have been new demands set by the consumer. That is why it is crucial for the online retailers to know what influences the online consumer. . Analysing the process that the online consumer goes through when deciding and making a purchase over the Internet, shows some factors that consumers consider. To further understand how these factors, influence different types of consumers, I must identify segments which will enable us to make comparisons.

India's new foreign direct investment (FDI) policy for e-commerce came into effect, there have been some massive changes in the way online retailers operate in the country. To investigate the changes in the buying behaviour of consumers after the implementation of new policy of FDI in E-Commerce industry, and how it has affect their buying behaviour in Future.

1.4 Scope of Study

The purpose of this research is primarily to identify and get insight in to what main factors the online consumer takes into consideration when purchasing online. Further, I will investigate the changes in the buying behaviour of consumers after the implementation of new policy of FDI in E-Commerce industry, and how it has affected their buying behaviour and how it will affect in future.

Chapter – 2 Literature Review

Gaurav Bisaria (2012) analysed the impact of FDI in Indian Retailing in Lucknow, Uttar Pradesh, India. The sample Size was 100 consisting of all sections of the society and the sampling technique adopted was simple random sampling. Both primary and secondary data source were used. From the analysis it was found that majority of people are supporting the foreign direct investment in retail. There are some who for their own advantage are opposing the entry of foreign retailers into India. They are trying to mislead the people of India for their own profits. There is a point in the agreement between the government and the foreign retailer that any moment of time if the Indian government finds irregularities or any fear then Indian government can break the agreement and the foreign retailer has to leave India.

Namita Rajput et al. (2012) analysed the impact of the present retail FDI policy on Indian consumers and economy using SWOT analysis. The analysis reveals that it will have a positive impact on the growth of Indian economy as a whole. The main objective of the study is to deeply analyse the recent FDI policy in retail sector of India i.e. to discuss its recent legal framework and provisions, forms, conditions, impact, strengths and weakness in view of changing dynamics of Indian retail landscape. The study concluded that if we try to balance the opportunities and prospects attached to the given economic reforms, it could be advantageous for Indian economy once executed. The amendments made in 'Circular 1 of 2012- Consolidated FDI Policy', dated 10.04.2012, issued by the Department of Industrial Policy & Promotion (DIPP) will have a positive impact on the retail industry and the country by attracting more foreign investments. With big retail giants coming to India, it will surely improve our back-end storage and procurement process. Once these multi-chain retailers establish themselves, they will create infrastructure facilities, which will also propel the existing infrastructure.

Chakraborty Chandana and Basu Parantap, (2002)"FDI and growth in India: a cointegration approach". The study is explored through a structural co integration model with vector error correction mechanism, by a two way link between FDI and long run relationshipexists between FDI and GDP, i.e. unit labour cost and import duty in total tax revenue.Wong & Sohal (2002)found that there was a direct relationship between consumers' perceptionof service quality and the quality of the relationship with the organisation and its employees. Empathy and understanding customer needs were deemed very important by

consumers when rating service quality and both factors were key factors enabling the building relationships. McGoldrick (2002)states that consumers place a higher importance on service failure where a company's representative causes embarrassment and are more likely to be unhappy with the level of service where embarrassment occurs than other service failures; such as queues. Equally when dealing with the complaint the manner in which the complaint was dealt with in relation to courteous treatment was one of the deciding factors of customer satisfaction. Douglas and Conner (2003)came to the conclusion that this was a direct result of an expectation by today's consumer that tangible needs will be always bemet, and were therefore not consciously considered as a requirement.

Park Jongsoo, (2004),"Korean Perspective on FDI in India: Hyundai Motors Industrial Cluster". The article studies the flow of FDI in India through industrial cluster: with special reference to Hyundai Motors. The article concludes that the attitude of Indian government towards foreign investment has shown a drastic change after 1991. The new reforms of FEMA have been attracting the FII's but the article also concludes that two principal deterrents to investment in India are bureaucracy and showing pace of reforms. The article suggests that the growth of India has increased through joint ventures and Greenfield investments. Johnston (2004)questions this approach and states that as long as companies fulfil their service promises; consumers will view this as excellent customer service; and there is not necessarily a need to exceed customer expectations. He goes further to state that companies who provide a service that is perceived to be to high; could also come under criticism from consumers, as abov eall today's consumers want value for money and 'over quality' suggests that the company is spending to much money on service quality, rather than using that money to reduce costs.

Prahalad & Ramaswamy (2004)also support the idea that in order to keep customers satisfied; companies have to enable them to play a part in developing future products and services. No longer are customers happy to just tell companies what they want; the new consumer actually wants to be able to create in partnership with companies.

A study conducted byMukherjee and Patel (2005)found that foreign retailers are working with small manufacturers for in-house labels and are providing them technologies like

packaging technologies and bar coding. Sourcing from India has increased with the advent of foreign retailers and they also bring in an efficient supply-chain management system. Joint ventures with foreign retailers are helping the Indian industry to get access to finance and global best practices. Besides, retailing being a non-tradable service there is no possibility of improved efficiency through import competition and foreign investment is the way forward. Chung-Herrera(2005)states that there are two elements of customer service, meeting consumers needs and meeting their expectations, he continues that consumers will tolerate level of expectation not being met; but are less tolerant when it comes to needs.

Chung-Herrera(2005)categorises needs as security, self-esteem, justice and trust and that the important of these needs varies dependent on the industry; with trust being of high importance in
the financial industry and security being of high importance in the airline industry. The absence of these needs will have a major impact on a consumer's perspective on the company. Dibb et al(2006, p. 693), state, "...Service quality is defined by customers"; based on whether actual experiences meet expected experiences.

Douglas & Conner (2006)also observe that consumers with a high perception of service quality "become more demanding and less tolerant of assumed shortfalls in service and product quality"(2003, p. 170). Hamer supports this view stating that consumers can receive the same level of service; but due to individual expectation; perceive the service to be of different quality and that is it is better to "meet high expectations that to exceed low expectations" (2006, p. 222).

Mattila & Wirtz (2006)use the examples of a theme park and restaurant to illustrate how consumers' arousals expectations differ dependent on the type of service being experienced. Amis alignment of actual arousal and expected arousal will result in a perception of poor service quality.

Burns & Neisner (2006)also reviewed the retail industry and found that expectations were not only set by marketing campaigns, but by reviews by friends and family and the physical design of the store. Burns & Neisner go further to state that when expectations are not met; consumers feel not only anger with the retailer; but shame with themselves for incorrect

assumptions. The experience of the retailer is then linked with negative feelings; to the extent that the consumer may not continue to use that retailer in future.

Kervenoael et al (2006)found that even when consumers have chosen to use the Internet as a service channel; and thereby accepting the impersonal nature; it is important to consumer to be able to have access to alternative channels when service failure occur.

Chapter 3 – Research Methodology

3.1 Research Method

There are two most usually utilized research draws near, the inductive and the deductive technique. The inductive research strategy endeavors to arrangement a hypothesis by utilizing gathered information, while the deductive research approach endeavors to discover the hypothesis first and afterward test it to the watched information. I picked a deductive research approach for my investigation as I would move from the more broad to the particular. I will introduce the hypothetical discoveries on shopper conduct in the following part, after which I will introduce my survey in section four where I present my gathered essential information.

3.2 Justification of choice of Methodology

I will endeavor to locate the principle factors that impact the online purchaser when making an online buy and how it has changed when the execution of new E-Commerce Policy. So as to expand my own comprehension of the subject I directed my underlying exploration in writing on shopper conduct and online business. I checked on contemplates that had comparable points and given specific consideration to their outcomes.

For my own examination I concluded that the most fitting methodology would be a survey that would be rounded out by understudies and representatives.

This investigation began as an exploratory examination yet formed into a logical examination since I began with first picking up information about buyer conduct to additionally having the option to pick up information about online purchaser conduct. Having this information, I keep on distinguishing explicit elements that are of significance when the online shopper is making on the web buys. This data is then utilized so as to discover connections and relationships between's these factors.

3.3 Data Collection

When gathering information to move toward the motivation behind an exploration there are two manners by which the information can be gathered. So as to gain a general information about the theme, auxiliary information is basically utilized and is one of the ways by which information can be gathered. These Conway to gather information is the essential information assortment. Generally when an examination is directed, optional information isn't sufficiently

adequate and should be finished with essential information which is gathered by the specialist.

3.3.1 Secondary Data

Auxiliary information can be characterized into three unique subgroups: narrative, various source, and overview.

Narrative second and information comes in both composed and non-composed structure. The information can be gathered from sources, for example, diaries, databases, transcripts and so on. This type of information is reliant on the entrance the scientist needs to it.

Overview based auxiliary information is the information that is gathered through the review and is accessible as information table structures.

Various source auxiliary information is information that has been accumulated into narrative or review structure; the primary attributes of this kind of information is that it has been changed into an alternate structure before there searcher is surveying the information.

I have essentially utilized narrative optional information joined with various source information. Narrative optional information has been the information gathered through various kinds of research directed inside the point, articles, and that are composed on customer conduct and web based business. This kind of information has been the basic hotspot for picking up information inside the point with the end goal for us to be capable methodology the exploration issue. The auxiliary information that I utilized for our examination his information that has additionally prompted the finish of which factors that will be inspected. The numerous source information that I have utilized has been so as to pick which item I would use for our exploration so as to have the option to discover the item that is most generally purchased over the Internet.

3.3.2 Primary Data

Essential information for our examination was gathered through polls. When gathering essential information one can decide to do interviews, perceptions, examinations, and polls. Because of the reason for our examination, just the survey strategy would have the option to

move toward the theme and have the option to gather the appropriate responses in an acceptable way. In our examination the essential information is principally worried about dissecting the respondent so as to later on arrange the respondent. Further on, the essential information will be utilized to dissect the elements and how these are identified with the respondent. The essential information is directed in a way to have the option to move toward our exploration and comprehend our examination questions.

3.4 Data Management,processing and Analysis

So as to discover the elements that impact the online buyer, as I have decided to do, this investigation will go from an exploratory to informative examination. This additionally clarifies the deductive methodology that I picked, as I first go to the writing so as to pick up information. I would prefer not to influence the respondents' answers and I, thusly, play out a positivistic way to deal with the investigation. By utilizing auxiliary information, I endeavor to discover the affecting shopper factors and afterward proceed with essential information all together examine the impact of the elements.

I will attempt to find the main factors that influence the online consumer when making an online purchase and how it has changed before and after the implementation of new E-Commerce Policy. In order to broaden my own understanding of the subject I conducted my initial research in literature on consumer behaviour and e-commerce. I reviewed studies that had similar aims and paid particular attention to their results.

For my own research I decided that the most appropriate approach would be a questionnaire that would be filled out by students and employees.

This study started out as an exploratory study but developed into an explanatory study since I started out with first gaining knowledge about consumer behaviour to further being able to gain knowledge about online consumer behaviour. Having this knowledge, I continue to identify specific factors that are of importance when the online consumer is making online purchases. This information is then used in order to find relationships and correlations between these variables.

3.5 Bias

Even though careful preparations were taken to minimize sources for bias, some possible sources should be taken into consideration. Because the research questions look at new

technology as well as at the topic of FDI and Consumer behaviour in which terms are not ultimately defined, and interpreted in the same way the participants may have a different understanding of certain terms than the researcher has.

Another possible source for misinterpretation is simply the different understanding of terms, and definitions of the participant, and the researcher. As the research was conducted in India using questionnaires in English it was possible that the participants, even though English is the corporate language in most companies operating in an international context, did not have the language capability needed to produce correct, and understandable answers. This was not the case but if that had happened, the researcher would have provided the questionnaire in Hindi and translated the answers back to English, which would have represented another source for bias.

As the above explanations regarding the methodology of this study have shown, the chosen qualitative research approach is suitable under the given circumstances. The researcher has utilized various sources of information for the data collection bearing in mind ethical considerations. By following a structured, and well-documented procedure, bias is likely to be reduced to the remaining factors which are mentioned.

Chapter-4 Analysis

4.1 Introduction to the Case

This Project report targets finding factors that impact the online client's buying conduct. By scrutinizing composing concerning purchaser characteristics and online customer characteristics I acknowledge to find proposals for explicit components that are of noteworthiness for the online buyer.

The Internet is a general open game plan of PC sorts out that transmit data by package trading using the standard Internet Protocol. It is an "arrangement of frameworks "that contains a colossal number of more diminutive private, academic, business, and government frameworks, which together pass on various information and organizations, such a select, record move, the interlinked Web-Pages and various chronicles of the World Wide Web. At first the Internet was mostly used by scholastics, look at scientists and understudies; in any case, that circumstance has changed as business affiliations have moved to meld the World Wide Web into their restricted time fights, and by offering the workplace of online purchasing. The Internet has progressed into a general open business community for information exchange and online business. The imperative essentialness to be available for buyers on the World Wide Web, with information and organizations has gotten particularly material to firms.

The Internet can make it easier for associations to have information about their things or organizations open to their customers or potential customers. An association can satisfy the buyers' individual need of information effectively conversely with passing on thing gifts for example. As the customer can pick information from destinations, which proposes that the information provider can achieve better understanding of the customer's needs and needs by social occasion data. Of course, the Internet is a spot with scarcely any structure or rules: along these lines, enormous undertakings are required to show the buyer where a specific site is found, and what organizations are open on that site page. Associations with no physical proximity must market themselves broadly, both on the web and disengaged, for the purchaser to review their name.

Whether or not it is the standard market or the online market, the sponsor must grasp the buyer and how he chooses his decisions and purchasing choices, considering the way that the client is under a consistent movement of enhancements from the publicists' advertisements. The

publicist has the probability to pick and to control the yield that will be sent to the purchasers, yet when the promotion shows up at the client that control closes. The customer by then unravels the information that has been passed on in his own particular way subject to express segments for every buyer. Thus, publicists have made different theories that can explain why customers unravel information in light of a specific objective, and there by grasp certain practices. A couple of articles have chosen to recognize the traits of the online customer.

The online buyer to have the going with properties: progressively young, wealthier, better instructed, having a higher "PC training" and are more noteworthy retail spenders.

The online purchaser as: increasingly settled, get more income, convenience searcher, innovative, rash, grouping searcher, less peril careful, less brand and cost aware, and with a continuously motivational mien towards advancing and direct publicizing. A part of these characteristics are tantamount, while others are the converse.

Endeavoring to perceive the online client is problematic since the quick improvement of electronic business has in like manner incited an extension of the two headways and different sorts of customers. It is in like manner understood that the kind of thing impacts the online customer direct which makes it progressively difficult to perceive buyer characteristics. There are as yet a couple of qualities that can be perceived to show the online customer and the going with substance will endeavor to do accordingly.

Customer Behavior

The advancing system is connected to extending the probability and repeat of buyer lead. Requirements for winning with respect to doing this are to know the customer and grasp the client's needs and needs.

Human needs and points of view are indistinguishably associated and that the association between them is so incredibly close that it gets hard to perceive the specific complexity which may depict them. People may buy new covers since it makes sure about them against the atmosphere, yet the irreal shrouded dominating need may be to follow the most well known pattern design. Buyers' characteristics are critical theories and it explains the way that the purchaser decodes and gets enhancements from takes note. The selections of purchasers are influenced by different individual ascribes that are associated with the buyer's specific needs.

Consumer Characteristics

Purchaser traits are explained by: Cultural characteristics, Social characteristics, Personal characteristics, and Psychological Characteristics. These characteristics are recognized, by the sponsor, to perceive the client and to have the choice to choose the framework to what kind of purchaser to target. Hereafter, these characteristics are used in order to piece the market and target unequivocal buyer social events.

Social Characteristics

The Cultural Characteristics are seen as the guideline influencer of customer lead. These properties are made by three features under staying client lead: Culture, Subculture, and Social Class.

Culture is referenced as the most fundamental explanation behind a person's needs and needs. Human direct is generally learned and thatare introduced to different courses of action of characteristics and feelings since right off the bat, and that these characteristics sway our lead and dynamic. From now on, these properties are fascinating for publicists and huge pointers of certain client lead and taste.

Subcultures are small assembling advancements with a particular number of people that offer characteristics and feelings, for instance, nationalities, religions or geographic territories. A recognized subculture can fill in as a noteworthy and convincing business part partition which can be centered around.

Social class is seen as a class structure, involving a mix of components which amass different sorts of people. Some recognized components are pay, age, guidance, and wealth.

Social Characteristics

The Social Characteristics are isolated into three special classes, specifically Reference Groups, Family and Social Role and Status.

Reference Groups–The effects of the Reference Groups are essentially established on the conviction that a person's direct is influenced by various little social events. Exactly when a social event has a prompt effect, it is known as a Membership Group, for example: family, neighbors and partners. Reference Groups are the social affairs to which the individual as often as possible should be long to and to be a bit of yet isn't. These get-togethers in an indirect manner and authentically structure a person's direct and points of view. There are three unmistakable ways by which these social events sway a person's lead; they may open a person to new practices and lifestyles, sway a person's mindsets and self-thoughts and moreover make a load of attestation by Reference Groups. Another effect of hugeness is the opinion boss. An inclination head is a person that impacts others to follow his acknowledges and viewpoints towards explicit issues, things or areas.

Family–Family people influence the buying conduct. The affiliation and effect by different family members changes, both to which degree yet furthermore how. Thus, it is huge for sponsors to grasp which occupation is played by whom in the family and direct the business towards the standard influencing bit of the family.

Employments and Status–Each individual has a spot with different sorts of social occasions and besides accept different occupations while having different circumstances in the various get-togethers. Employments are perceived as what practices people are required to perform from various people from the social occasion.

Singular characteristics

These individual characteristics are arranged into: Age and Life-CycleStage, Occupation, Economic Situation, Lifestyle, Personality and Self-Concept.

The Age and Life-Cycle Stage–These stages explain different periods in life that the purchaser experiences as he encounters life. These different stages moreover address different changes that the purchaser may experience while showing up at another stage. Publicists, in this manner, describe their target markets interms of the different stages in order to make appropriate advancing plans.

Occupation–The occupation will all in all influence the things and organizations bought by the purchasers. This prompts the opportunity of making different sorts of things or organizations that suits interests recognized to be superior to expected inside an occupation.

The Economic Situation–Wealth will impact a buyer's thing choice. A client may be esteem tricky or not depending upon the level of pay, level of save reserves, level of financing costs, and besides the thing or organization itself.

Lifestyle This is recognized to be a person's strategy for living which is seen by the activities, interest, or evaluation she or he has and it furthermore explains the way wherein a purchaser teams up on the planet.

Character

This is basically explained by the terms confidence, transcendence, agreeableness, autonomy, preventiveness, adaptability and forcefulness. These psychological segments are a delayed consequence of one's condition. Character can be described as a dynamic and made course of action out of characteristics constrained by a person that strangely impacts their motivations, and practices invarious conditions.

Self-thought or Self Image–Is the applied understanding that people's benefits reflect their characters. This thought gets a couple of conflicts the occasion that people may have an image that satisfies what their personality is yet doesn't agree with who they should be (the ideal self-concept),the question by then rises which one I would need to satisfy.

Mental Characteristics

The psychological characteristics are parceled into the going with thoughts: Motivation, Perception, Learning, and Beliefs and Attitudes. Motivation suggests an individual needs that must be satisfied. These necessities are of different kind; some are natural, for instance, longing, thirst and discomfort,and some are mental, for instance, the prerequisite for

affirmation, respect and having a spot. Needs are not satisfied until they show up at a particular reason for control and become an expectation in the purchaser to satisfy them.

Perception This characteristicis reliant on the appreciation of how particularly I see a comparable situation or comparative lifts. Acknowledgment is the system by which people select, sort out, and disentangle information. There are three one of a kind strategies that pick how I decode certain information. These are Selective Attention, Selective Distortion, and Selective Retention.

Getting the hang of Learning is an exhibit that changes people's direct by virtue of their experience. It occurs through drives: strong internal needs that call for movement, enhancements: object that drives for certain action, prompts: little lifts that determinate when, where and how the individual will respond and bolster: when the response and overhauls towards an article is experienced more than once.

Feelings and Attitudes–These are obtained by people through learning and experiencing. They sway the buying conduct by making up brands and thing pictures in the customer's heads. A conviction is an unmistakable thought regarding something and relies upon veritable data, notions or certainty. Feelings can moreover be earnestly charged. Mindsets are delineated as a person's evaluations, notions, and inclinations towards something, yet what's more decisions of people, for instance, as and despises.

By first seeing purchaser lead speculations, I have inspected what recognizes the customer and the techniques that the buyer encounters before making a purchase. This has been applied to build understanding of the online buyer buying conduct and has then been used to find which characteristics that are appropriate to perceive and area the online customer. These have been perceived as Consumer Traits and Online Behavior and are recorded underneath close by the specific subsegments:

• Consumer Traits:

• Demographics

• Attitude and Beliefs

• Impact of Reference Groups

• Online Behavior:

• Webographics

• Online Shopping Patterns

• Internet Usage

Also, I have raised explicit variables that I acknowledge are huge for the online buyer when shopping on the web through the composing layout. These factors have been perceived as Price, Trust and Convenience through the composition. In order to see how the perceived components, sway the online customer I ought to at first recognize the online client. This ID ought to be done essentially through the significant Consumer Traits and online client lead that have been perceived previously.

**Figure 4.1 The influencing Factor's effect on Online Consumer Segments**
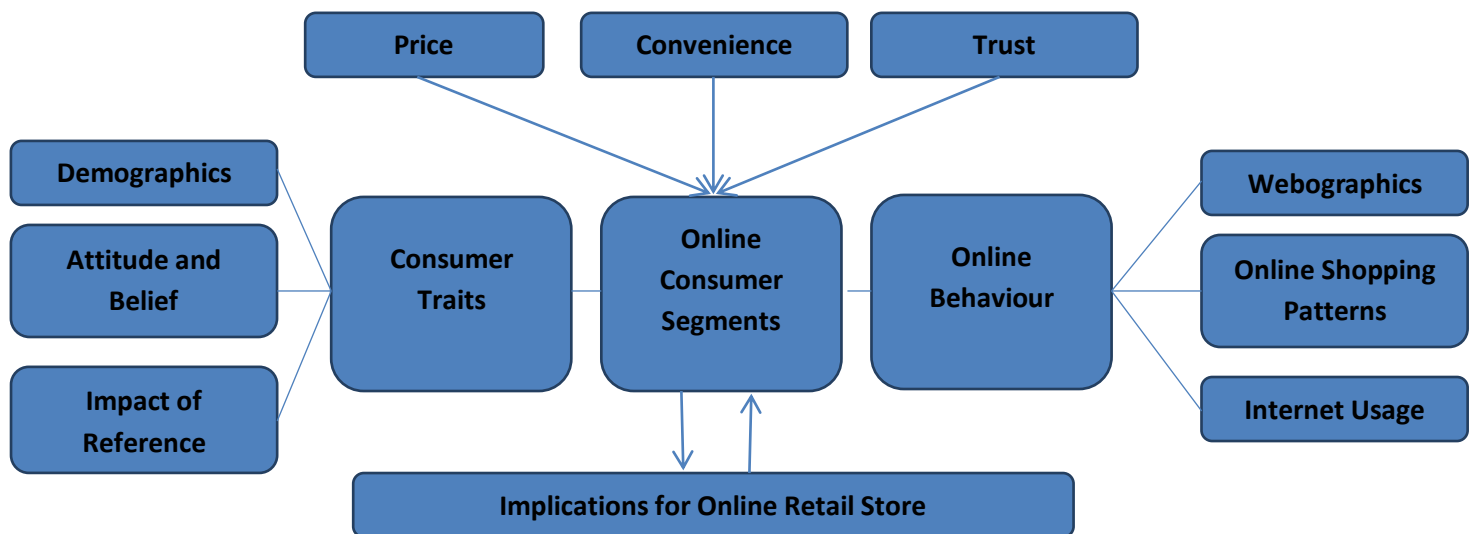
Source – Own Analysis

We would then be able to comprehend the significance and effect of the variables for the all the respondents. By increasing comprehension and having the option to section online customers I can see the importance and effect of specific elements for explicit gatherings.

Figure 3.3 clarifies that Online Consumer Segments will be created through how the respondents addressed inquiries that included Consumer Traits and Online Behavior. The characterized sections will be contrasted concurring with how the respondents in each portion addresses the inquiries including Price, Trust and Convenience.

Figure 4.2 – E-commerce Industry growth in India
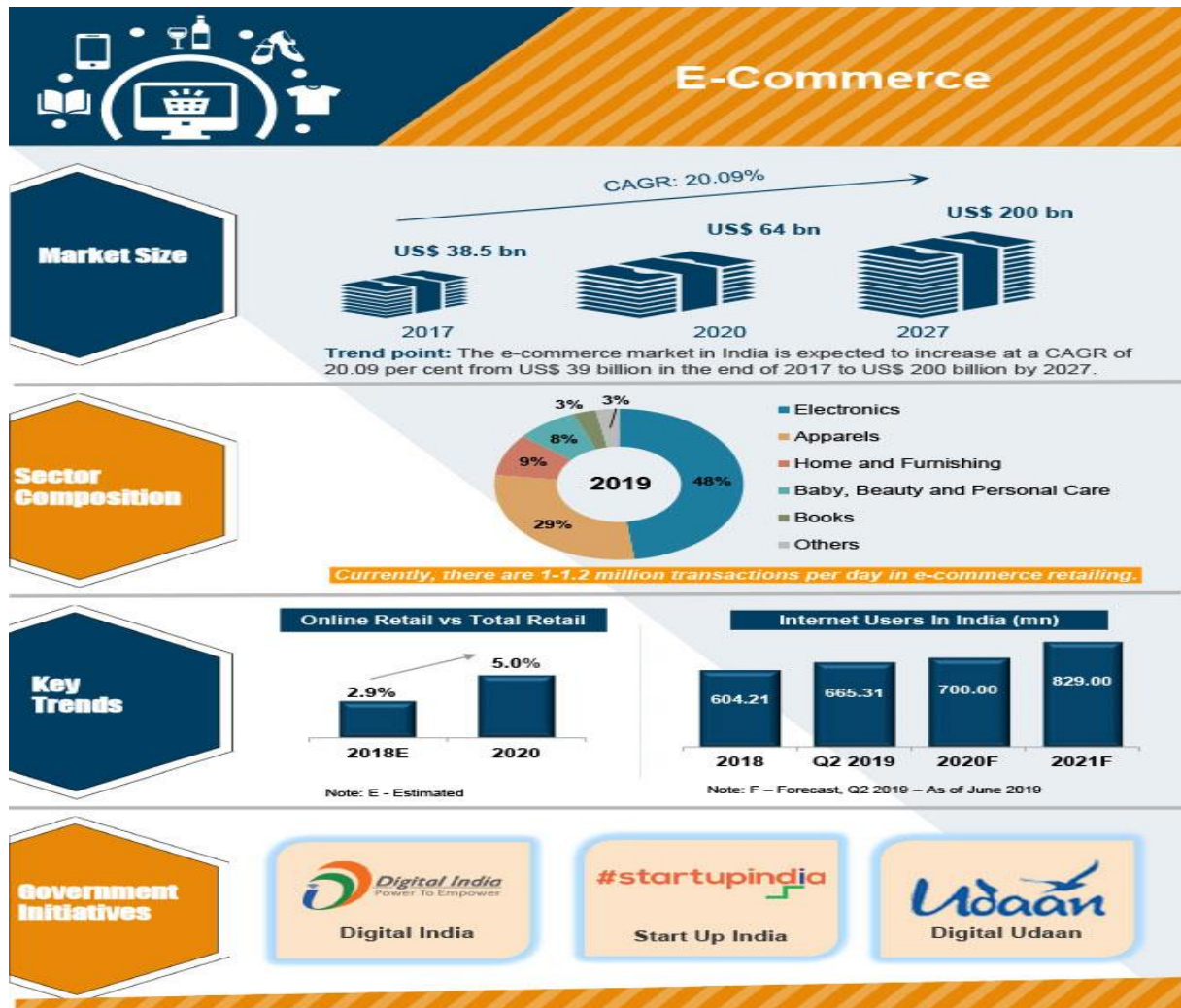
Source- www.ibef.org/industry/ecommerce.aspx

4.2 Data Collection

Since my assessment is of deductive character our basic point was to accumulate assistant data and separate it. By doing so I found the parts Price, Trust and Convenience. I by then accumulated fundamental data through an investigation. The guideline explanation behind the survey was to accumulate data about Online Consumer Behavior and the tremendousness of the set up factors, Price, Trust, and Convenience.

In order to have the alternative to find and set up Online Consumer Segments, Consumer Traits and Online Behavior must be perceived. The areas were used to moreover perceive what influence the factors Price, Trust, and Convenience have on Online Consumer Segments.

Segments

A piece is a subgroup of people that share the at any rate one characteristics and these segments have resemblances, for instance, that they share lead incorporates or have practically identical necessities. These similarities make a specific segment homogenous in their necessities and mindsets. Different sorts of components can be used in order to segment a market and one of the necessities was that it ought to have been quantifiable. I will use the recognized Consumer Traits and Online Behavior elements to parcel the online customers.

Sample

The components that I proposed to review can be applied to and investigate data masses that uses the Internet and buys on the web. Since there are time and resource restrictions, a specific masses must be perceived to summarize and make noteworthy sections. I inferred that the model size should contain in excess of 50 respondents .

Non-Probability, Convenience Sampling

The masses for this assessment is Students and delegates, India. The Sample was singled out a settlement premise. Settlement assessing incorporates using tests that are the most easy to get and is continued until the looking at size that need is reached. The tendency with the solace examining is that it is hard to summarize to the required people.

We will attempt to assemble whatever number respondents as could be normal in light of the current situation yet since I will look at understudies, I acknowledge that there will be little assortment in the people making it progressively supported to summarize the response rates. The testing procedure for understudies expected in like manner position on a settlement premise since the understudies that agree to answer the overview are those that were picked.

The Questionnaire

In order to make the survey, I started by picking the guideline factors that ought to have been investigated. These were: Demographics, Webographics, Online Shopping Patterns, and Attitude towards Online Shopping, Social Characteristics, Reference Groups, and the recognized components Price, Trust, and Convenience.

For the overview, which was self-administrated, I used the Delivery and arrangement survey procedure. This strategy was generally used because of the requirements in time and available resources. Different sorts of requests were set to have the choice to accumulate the information that was required concerning the different subjects. The examined factors were of different sorts. They were emotions, lead, and attributes.

Appraisals are used to perceive how a respondent feels about something, lead credits are used to record what the respondent does, and qualities shows what the respondent has. In order to accumulate the correct data, I expected to present requests with fit decisions that we read joked to the sort of the variable that ought to have been reviewed. In our survey I were simply using closed requests that were of the overview, class, situating, sum, and rating type.

4.3 Data Analysis

Q1- Gender

Sexual orientation was remembered for the overview so as to see whether there is a contrast among people concerning the convictions towards the components. The accompanying table will show the circulation of the male and female respondents that were remembered for the overview.

Sex	Frequency
Male	60
Female	20
Total	80

Gender

Pie chart showing Gender distribution: Male 75%, Female 25%.

Legend: ■ Male ■ Female
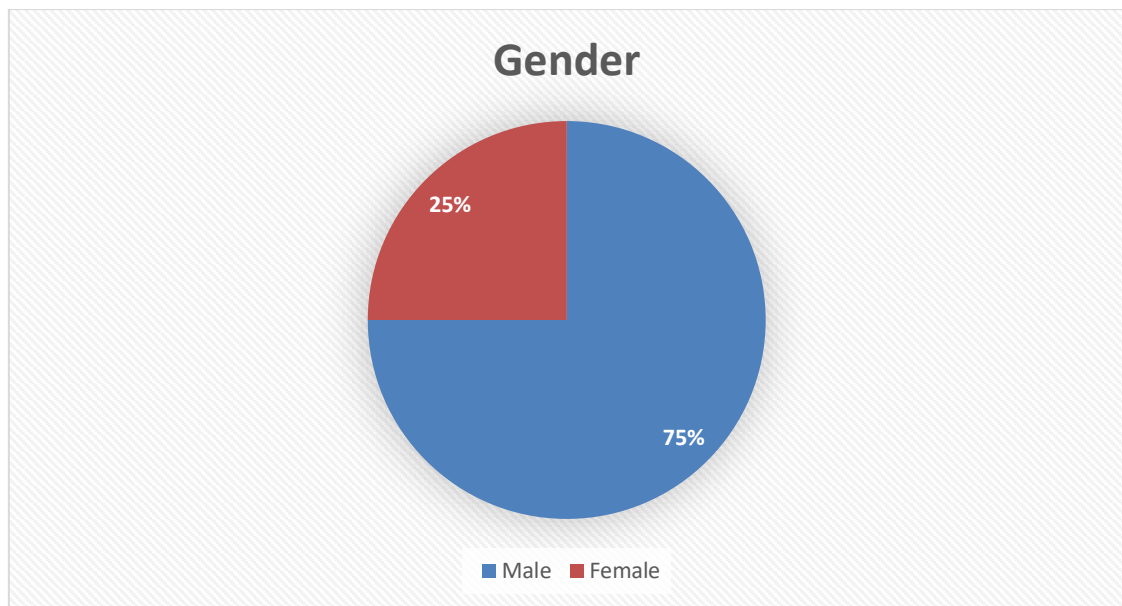
Q2- Age

Age was incorporated to see whether there is a noteworthy relationship to what sway the variables value, trust, and accommodation have on various age gatherings. Age is a segment esteem that can likewise be utilized so as to additionally clarify and expound on a portion of different inquiries that are utilized to discover fragments among the respondents..

Years	Frequency
18-24	44
25-34	36
Total	80

22

Age
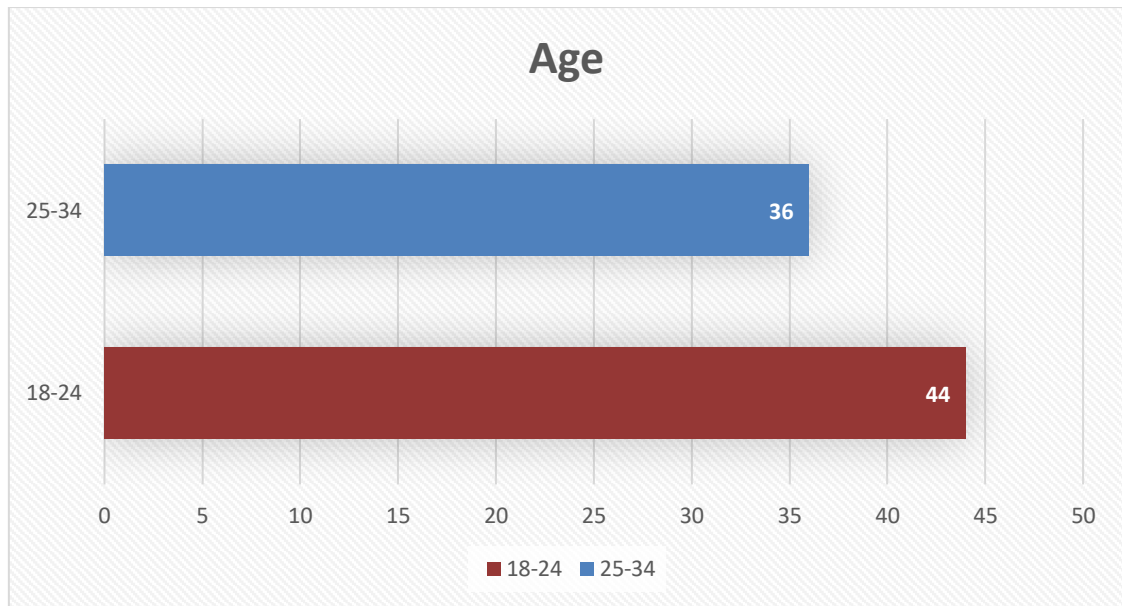
Q3- Education Level

This graph helps us to know the education level of the people included in the survey. This helped me to understand the qualification of people to understand the purpose of this study and how the online shopping affected the behaviour of people having lower to higher education.

Level of Education	Frequency
Graduation	20
Post-Graduation	56
Doctorate	4

Education Level

Graduate 25%
Post Graduate 70%
Doctorate 5%
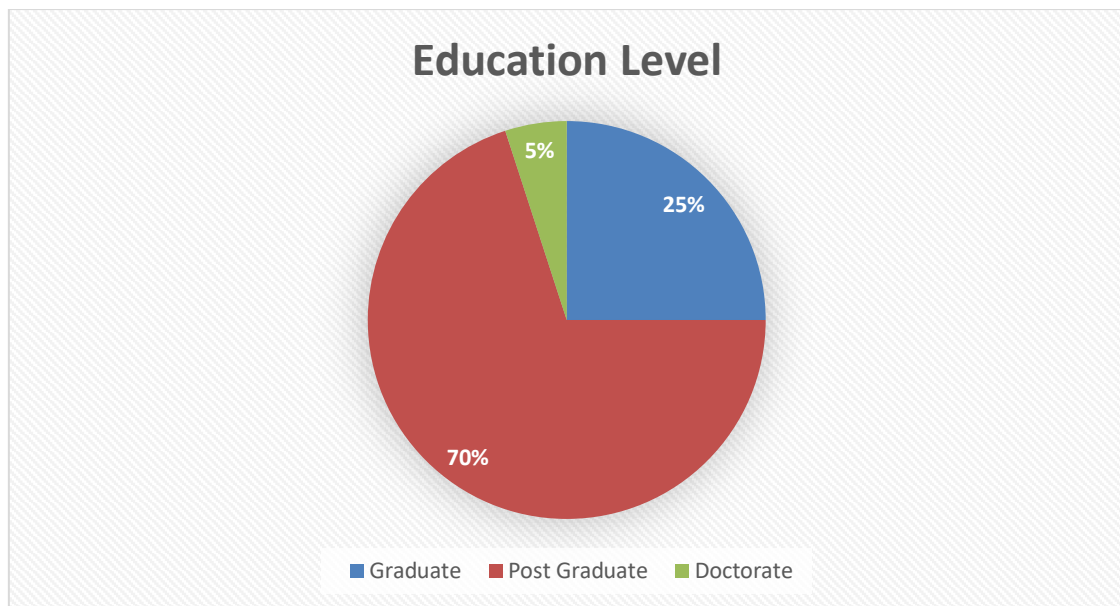
Q4- Have you ever done Online Shopping?

The objective of this question is to know the percentage of respondents, who have done online shopping, and aware of how to buy products online. Surprisingly, all the 80 respondents had done online shopping at some point.
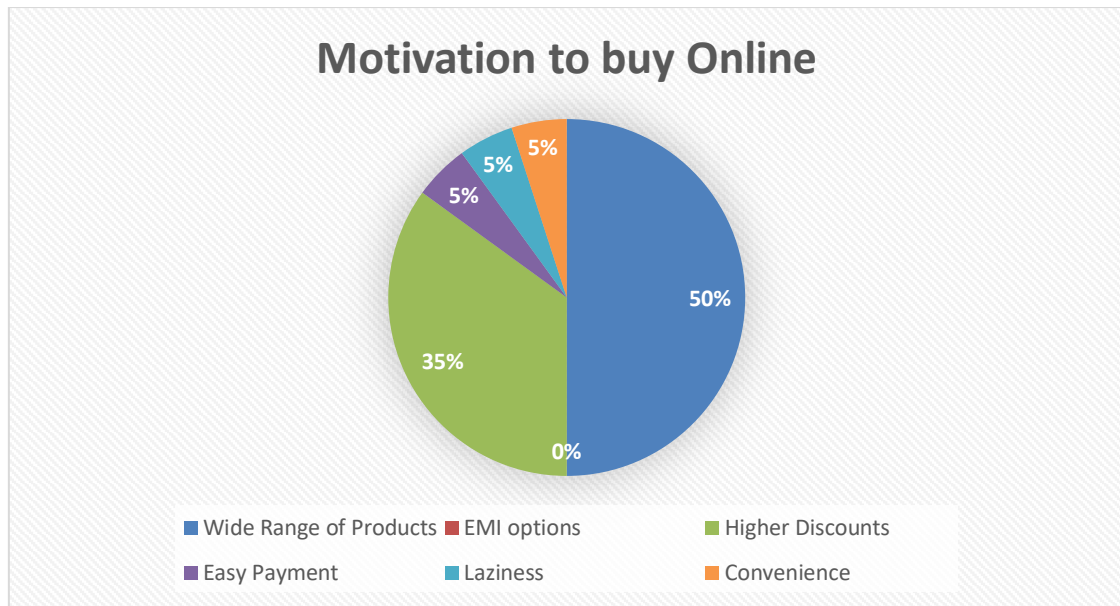
Online Shopping	Frequency
Yes	71
No	32
Total	103

Online Shopping

Q5- If Yes, then what motivates you to buy online?

This question is asked to know about the motivating factors that the respondents have to buy products online. The different factors are summarised in the table below.

Motivation	Frequency
Wide Range of Products	40
EMI options	0
Higher Discounts	28
Easy Payment	4
Laziness	4
Convenience	4
Total	80

Motivation to buy Online

Legend:
- Wide Range of Products
- EMI options
- Higher Discounts
- Easy Payment
- Laziness
- Convenience

(Pie chart values: 50%, 35%, 0%, 5%, 5%, 5%)

Q6- Do you feel Online Shopping companies provide competitive prices?

This graph gives us that whether online advertisers are giving serious cost or not and result which is came is that the vast majority of the individuals imagined that online advertisers are giving serious costs than physical stores.

Competitive Prices	Frequency
Yes	68
No	12
Total	80

Competitive Prices

15%

85%

Yes   No
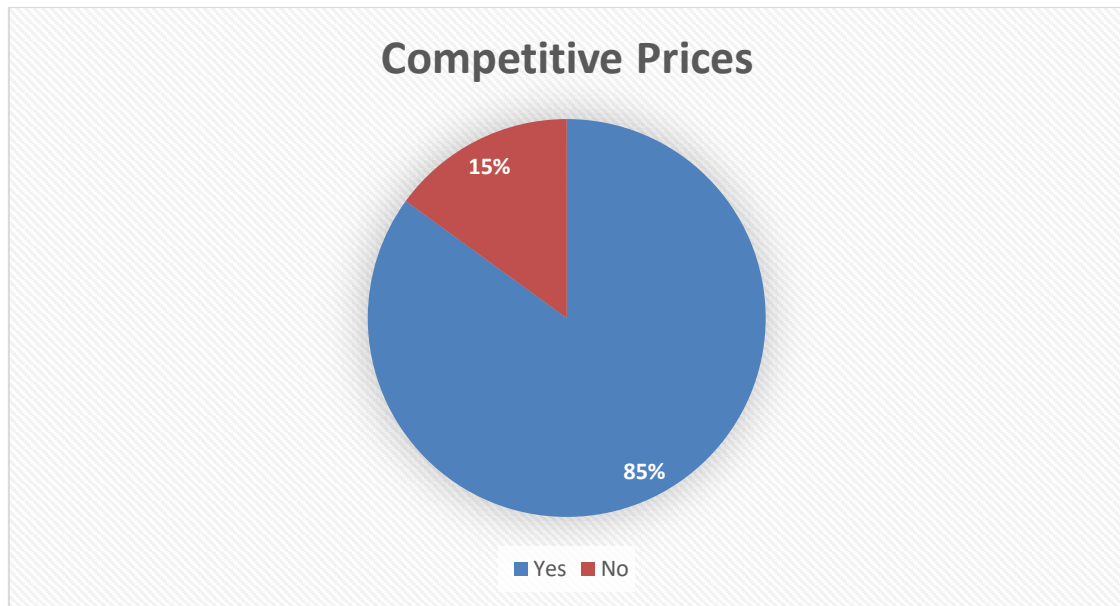
Q7- Which of the following website do you prefer buying online? (Select most preferred)

This question was to determine the preferred E-Commerce website that respondents were interested in to buy the products.
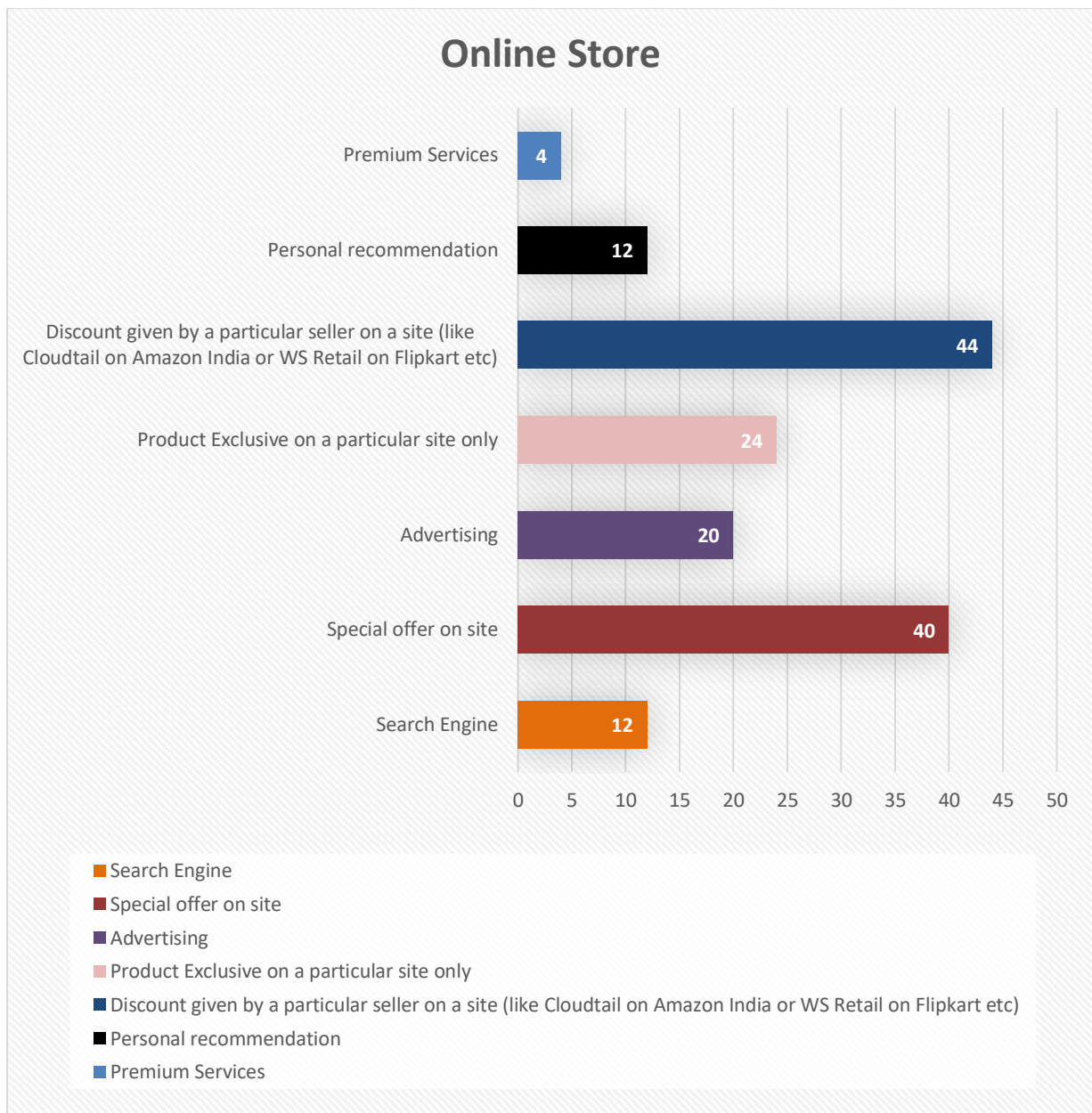
Website	Frequency
Amazon	48
Flipkart	28
Snapdeal	4

Online Store

Amazon — 48

Flipkart — 28

Snapdeal — 4

0   10   20   30   40   50   60

Snapdeal   Flipkart   Amazon
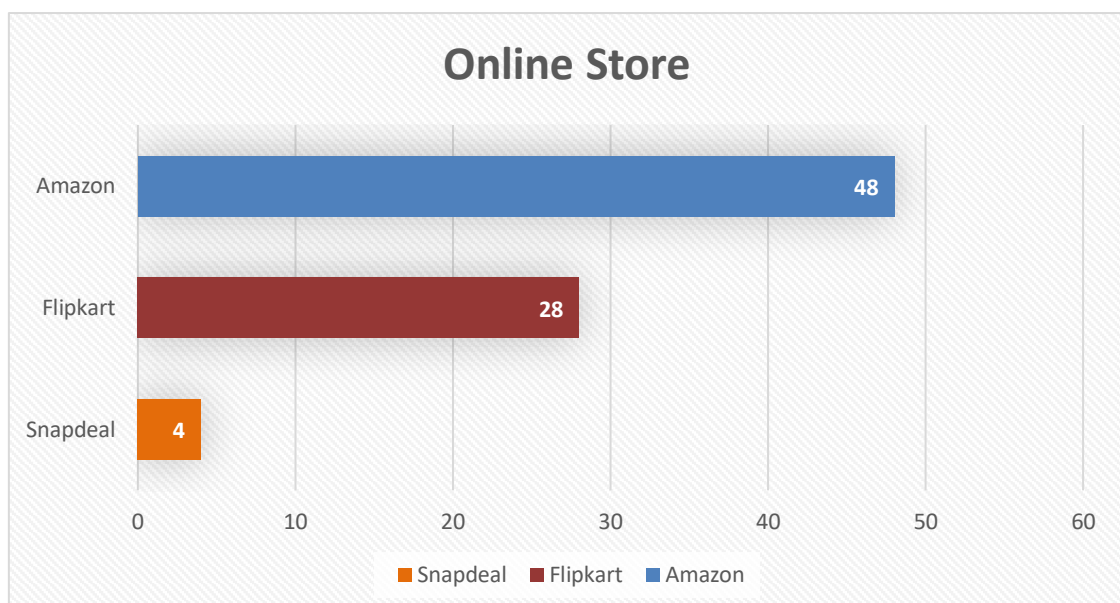
Q8- What factors help you decide which site to use for online shopping?

This question was designed, allowing respondents to select multiple options from the given set of options, to know all the different factors that users consider to buy online.

Website	Frequency
Search Engine	12
Special offer on site	40
Advertising	20
Product Exclusive on a particular site only	24
Discount given by a particular seller on a site (like Cloudtail on Amazon India or WS Retail on Flipkart etc)	44
Personal recommendation	12
Premium Services	4

Online Store

Category	Value
Premium Services	4
Personal recommendation	12
Discount given by a particular seller on a site (like Cloudtail on Amazon India or WS Retail on Flipkart etc)	44
Product Exclusive on a particular site only	24
Advertising	20
Special offer on site	40
Search Engine	12

Legend:
- Search Engine
- Special offer on site
- Advertising
- Product Exclusive on a particular site only
- Discount given by a particular seller on a site (like Cloudtail on Amazon India or WS Retail on Flipkart etc)
- Personal recommendation
- Premium Services

Q9- How often do you shop online?

This question was asked to know the frequency of shopping online by the respondents.

Frequency of Shopping	Frequency
Less than twice a month	48
2-4 times a month	28
4-6 times a month	4

Frequency of Shopping

Category	Value
4-6 times a month	4
2-4 times a month	28
Less than twice a month	48

Legend: ■ Less than twice a month ■ 2-4 times a month ■ 4-6 times a month
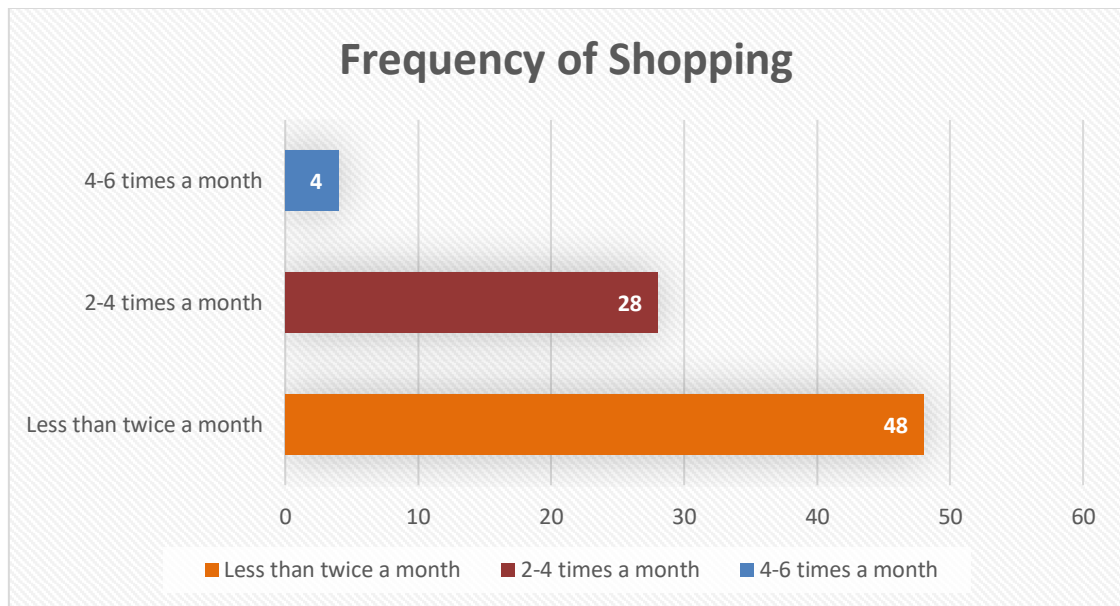
Q11- Have you heard of the new changes in FDI policy of E-Commerce by the Government?

| Awareness	Frequency
Yes	44
No	32
Maybe	4

Awareness of New FDI Policy

Legend: Yes | No | Maybe

Slices: 5%, 40%, 55%
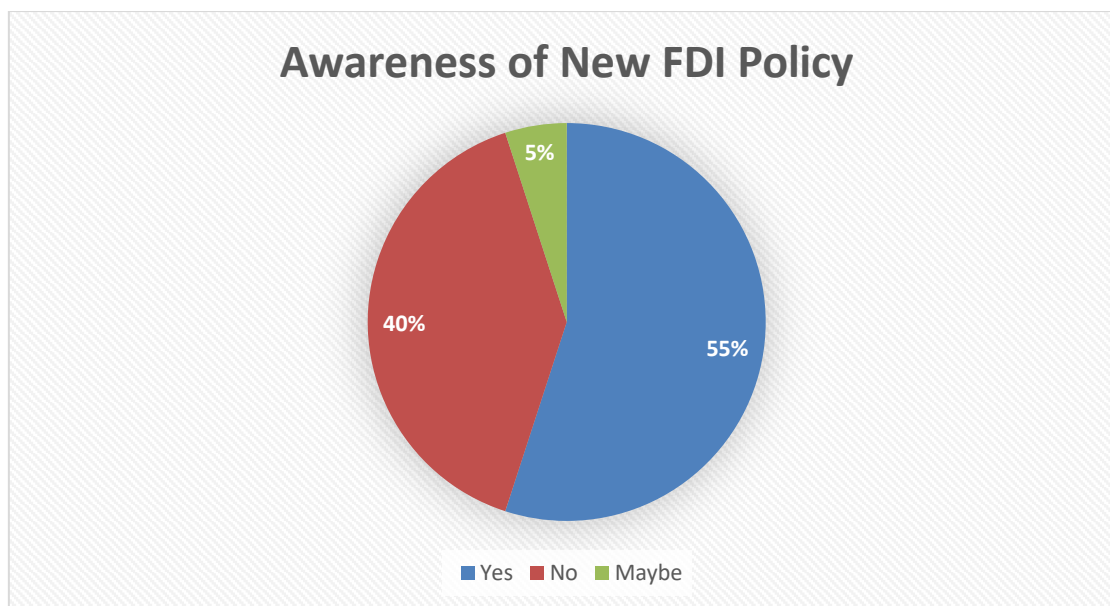
Q12- Do you feel that 25% cap on each seller for a site will lower the trends of online shopping?

| Cap of 25%	Frequency
Yes	20
No	16
Maybe	44

Cap of 25% on Products by One Seller

Legend: Yes | No | Maybe

Slices: 25%, 20%, 55%
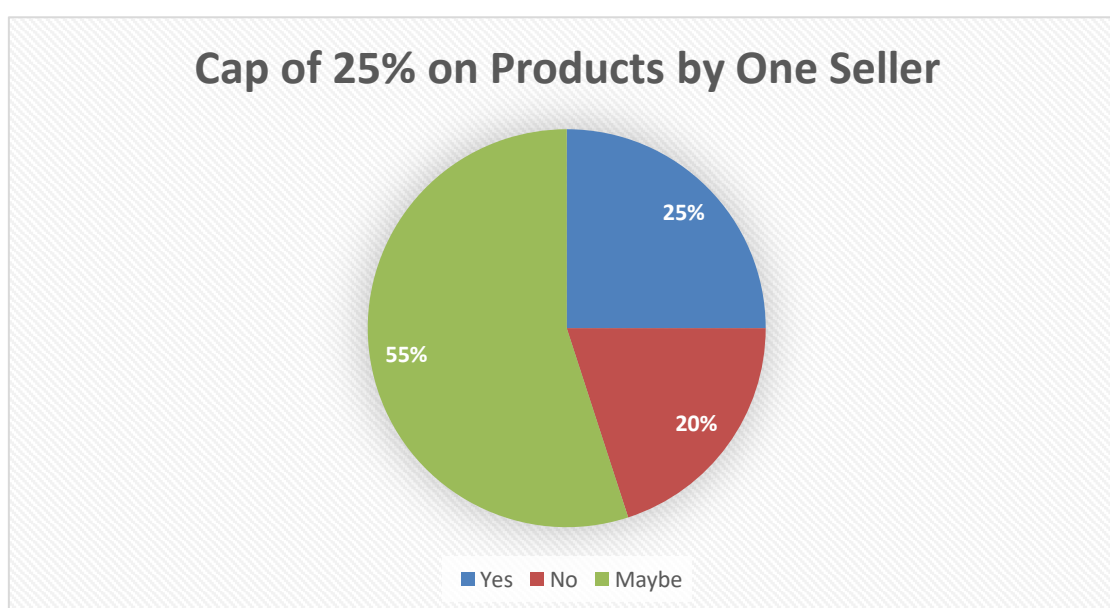
Q13- Will you still prefer buying products online if the discounts will be removed?

Discount Removed	Frequency
Yes	24
No	24
Maybe	32
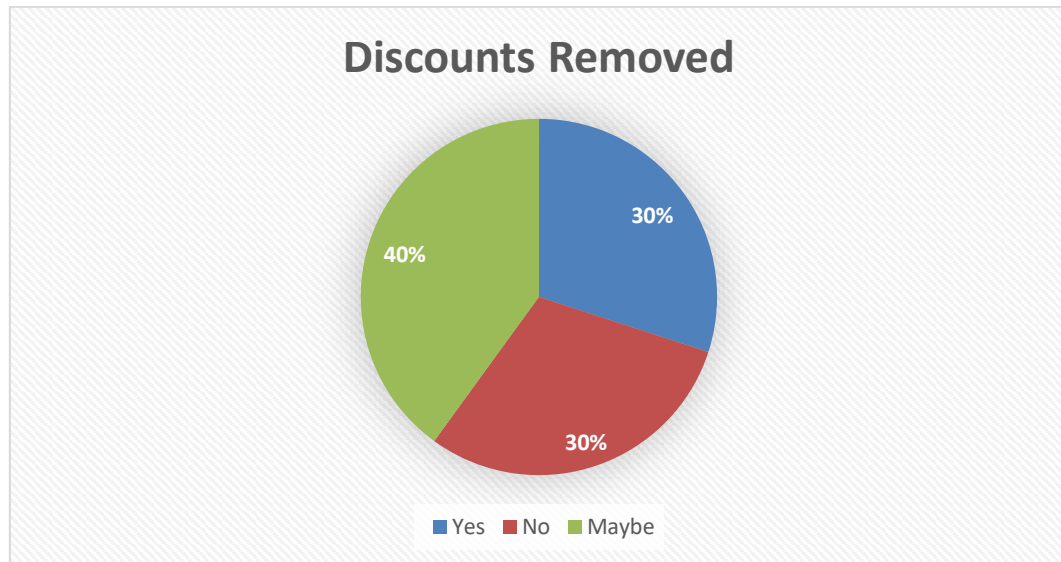
Q14- Do you think exclusivity of any product on a particular website is good (Like OnePlus sells its mobile only on Amazon)?

Exclusive Products	Frequency
Yes	24
No	48
Maybe	8

Exclusive Products

Yes 30% · No 60% · Maybe 10%
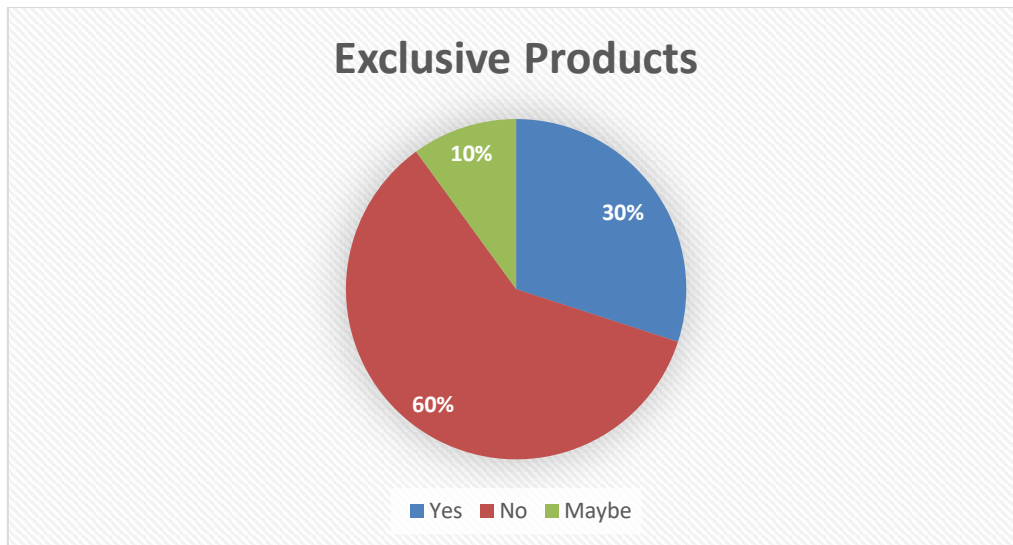
**Q15- Would you prefer Brick & Mortar shops to Online shopping, if there are no heavy discounts given to customers?**

Preferred Shopping Place	Frequency
Yes	24
No	24
Maybe	32

Preferred Shopping Place

Yes 30% · No 30% · Maybe 40%

Q16- Do you feel that new guidelines are bad for customers of online shopping?

This question was asked to know how the respondents felt about the new guidelines.

New Guidelines bad for E-commerce	Frequency
Yes	24
No	24
Maybe	32
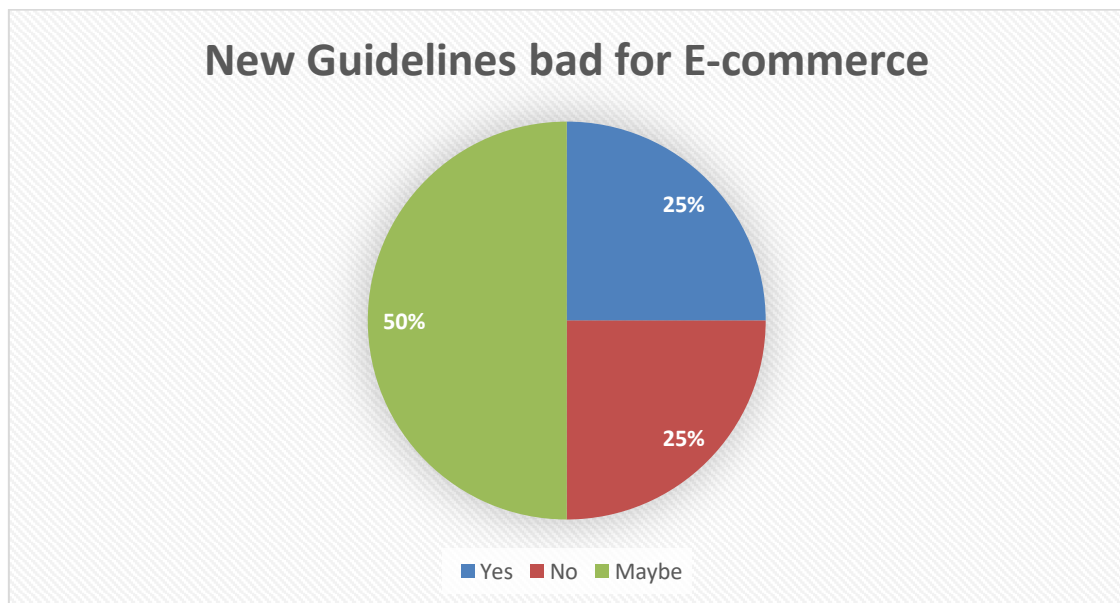
Q17- Are you willing to spend more on the products to uplift the Brick & Mortar shops, who were discriminated due to online shopping portals?

Spend more on offline stores	Frequency
Yes	12
No	44
Maybe	24

Spend more on offline stores

Q18- How is your experience with Online shopping?

This question was asked to know the overall experience of people with online shopping. It was rated from 1 to 5.

Experience	Frequency
1 (Negative)	0
2	0
3	32
4	36
5(Positive)	12

Overall Shopping Experience

(Bar chart titled "Overall Shopping Experience" with x-axis values 1–5 and y-axis from 0 to 40. Bars: category 3 ≈ 32, category 4 = 36, category 5 = 12. Legend: ■ Overall Shopping Experience)

Q19- Would you consider shopping in future with the same or higher frequency as earlier, after the implementation of new policy?

This question was asked to know the effect of new FDI policy in the buying behaviour of consumers.
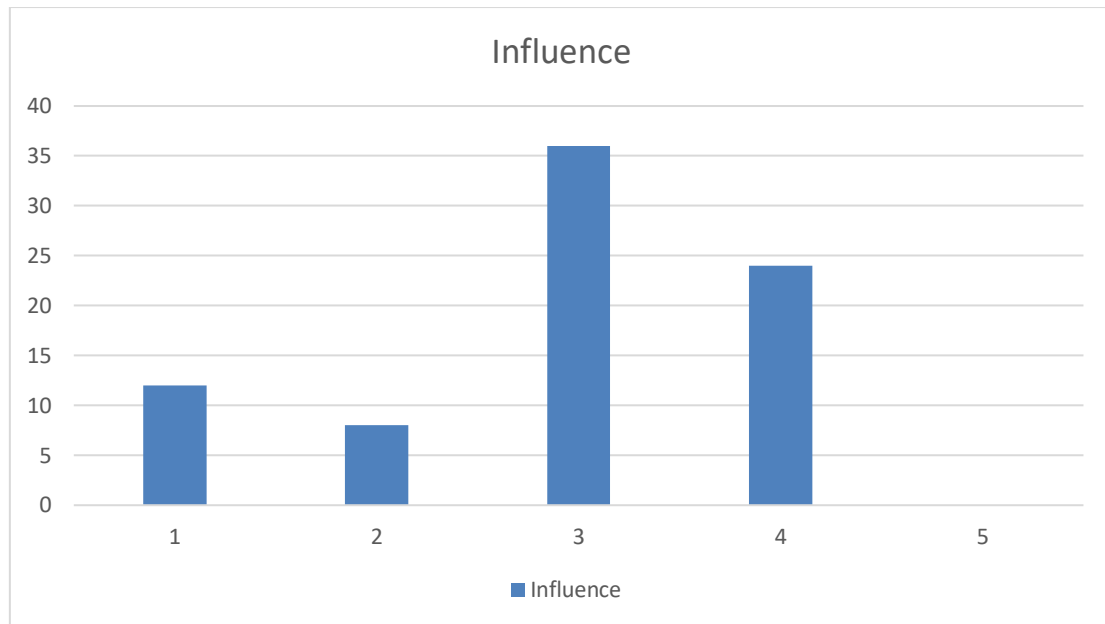
Future Prospects	Frequency
1 (Negative)	0
2	8
3	44
4	12
5(Positive)	16
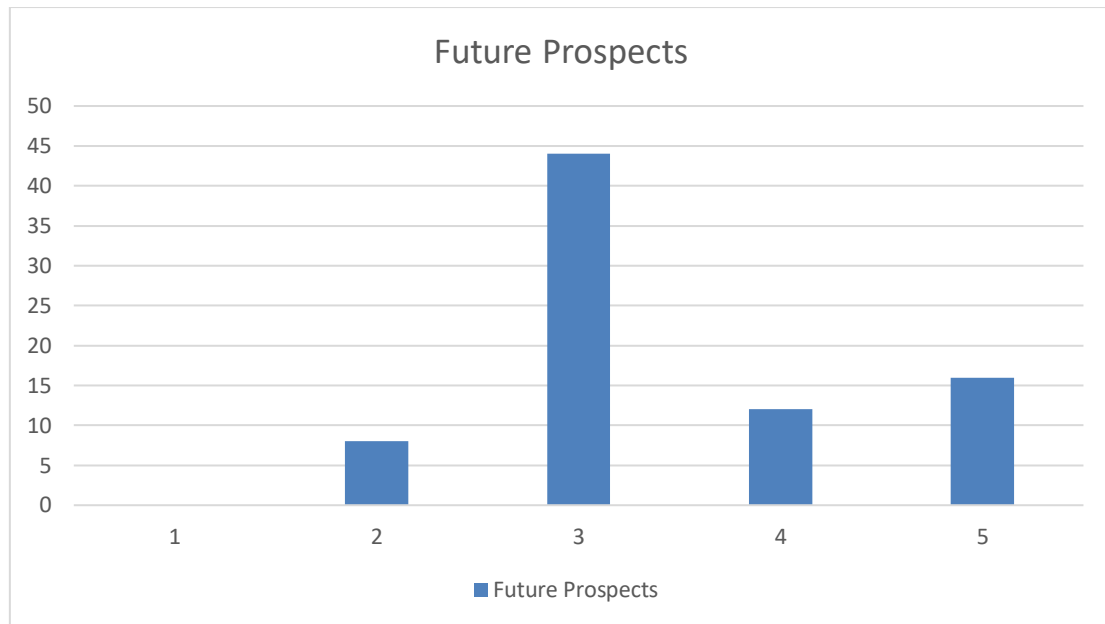
Q20- How do people around you influence your buying decisions online?

This question was asked to understand how the people around respondents affect their buying behaviour on E-Commerce websites.
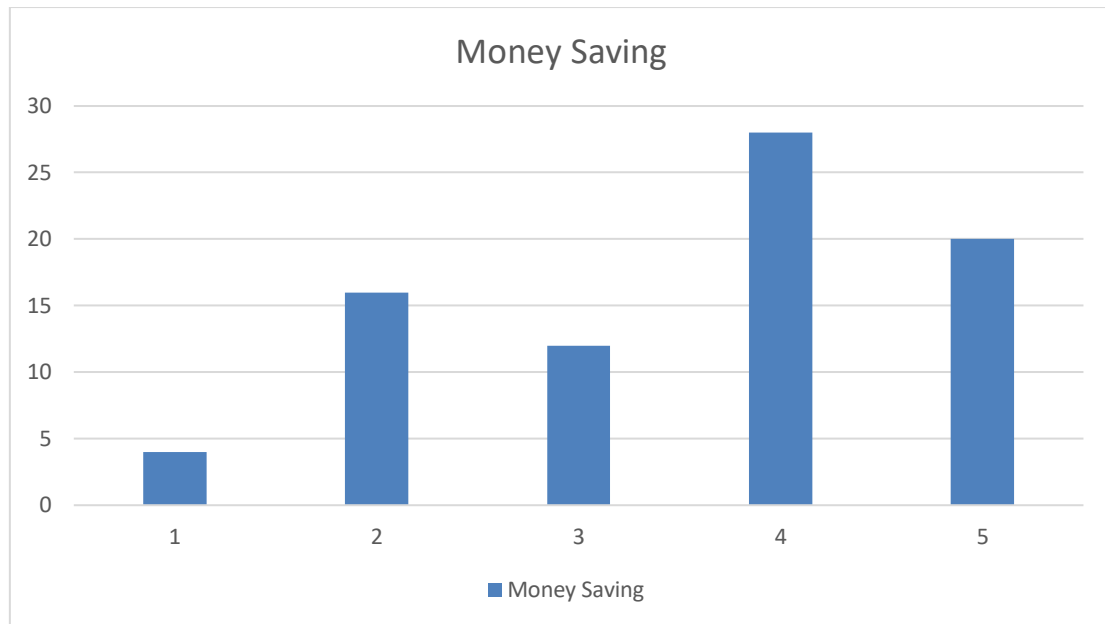
Influence	Frequency
1 (Not at all influential)	12
2	8
3	36
4	24
5 (Very Influential)	0

Q21- Is saving money your primary motive for online purchases?

The objective of this question was to understand whether the respondents cared about saving the money most on online purchases.
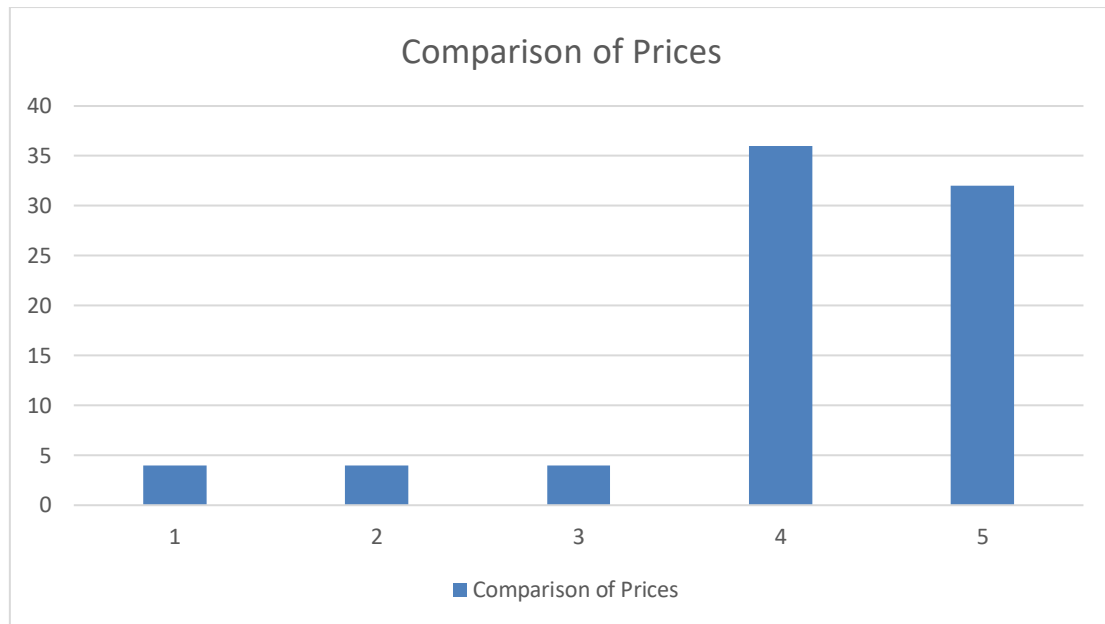
Money Saving	Frequency
1 (Negative)	4
2	16
3	12
4	28
5 (Positive)	20

Money Saving

Q22- Do you compare prices on different comparison websites?

The objective of this question was to determine whether the respondents compared the prices on different websites.

| Comparison	Frequency
1 (Never)	4
2	4
3	4
4	36
5 (Always)	32

Comparison of Prices

Q23- Is purchasing product online time saving?

This question was asked how the respondents feel about time-saving element of online purchases.

Time- Saving	Frequency
1 (Never)	0
2	12
3	16
4	32
5 (Always)	20
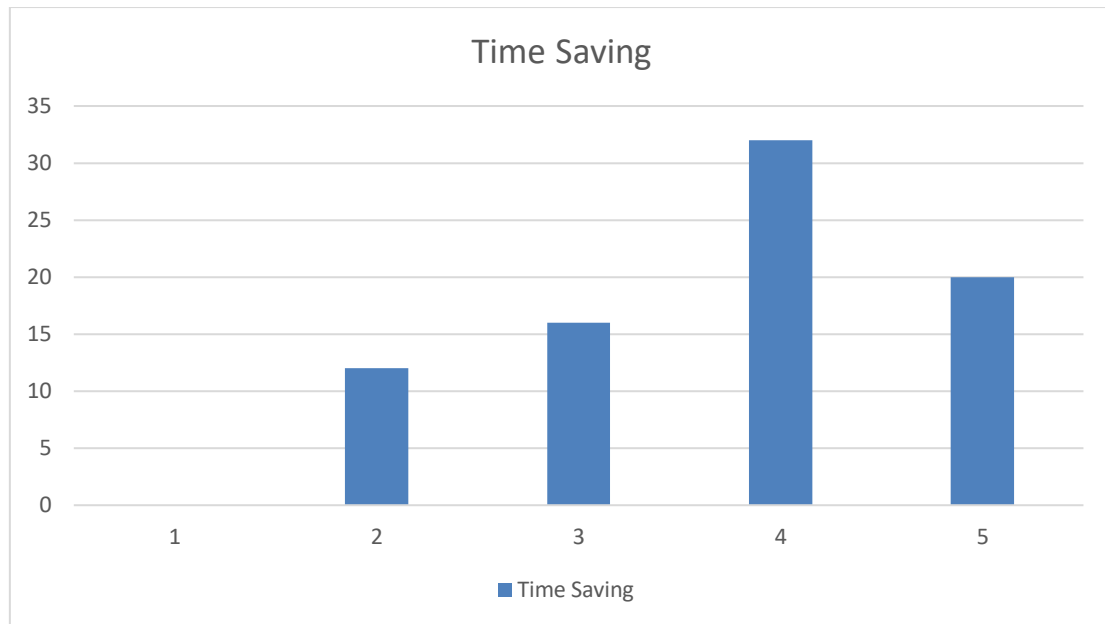
Q24- Is Online shopping still good than brick & mortar shops after the implementation of new rules?

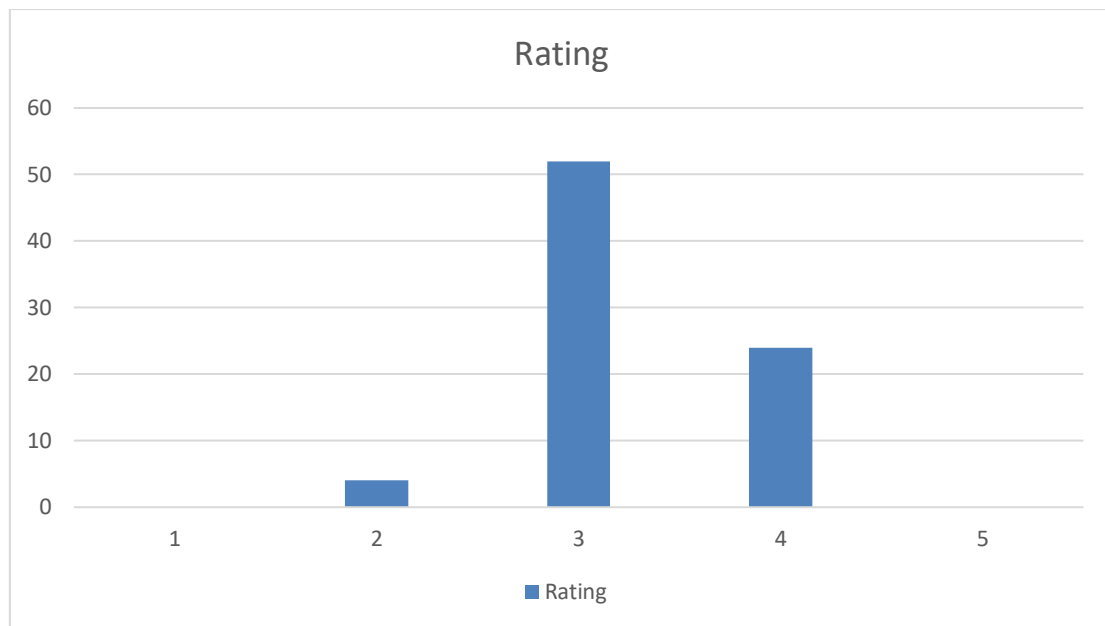| E-Commerce or Brick & Mortar Shopping	Frequency
1 (Never)	0
2	8
3	44
4	20
5 (Always)	8
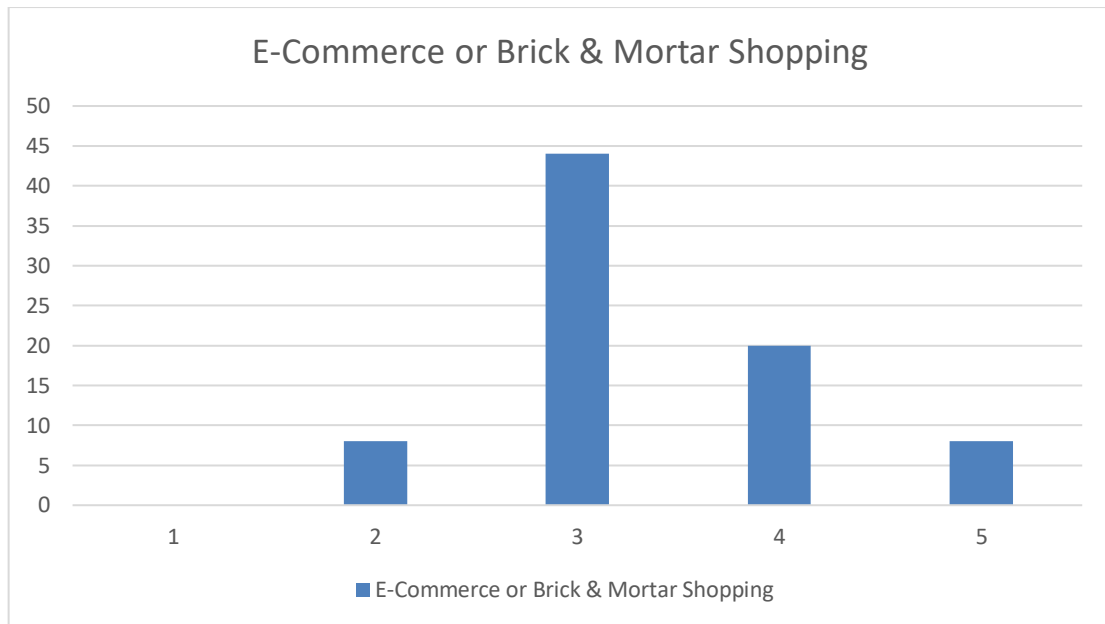
Q25- How do you rate the new policy of E-Commerce for you as a customer?

The overall rating as a customer of the new E-Commerce policy.

Rating	Frequency
1 (Bad)	0
2	4
3	52
4	24
5 (Excellent)	0

Rating

4.4 Finding and Recommendations

At the point when a purchaser buys an on the web, the individual in question is influenced by different elements. The fundamental impacting factors have been recognized as Price, Trust, and Convenience. The Price factor exists since costs are regularly lower on Internet stores contrasted with physical stores because of lower costs. Buying an online can enormously profit the purchaser as far as comfort and setting aside cash. It is additionally helpful to shop on different destinations with various arrangements, from the home. Trust is obviously required since the buyer must share point by point individual and budgetary data when buying an on the web. These sorts of information incorporate the complete name, conveyance address and charge card number for instance, which makes Trust a significant factor.

Coming to the Buying behaviour of customers by changes in FDI policy in E-Commerce, it is seen from the respondents that they are mostly neutral regarding this policy. The respondents felt that 25% cap by a particular seller will reduce the offers, but they will still continue buying online because of the inconvenience of buying offline. Also, the respondents felt that they don't want products to be exclusive on any website and there should be healthy competition on all the websites.

In Recommendations – increase the Sample size so that consumer behaviour can be identified properly. Include reliable and valid measures and discuss the preferences. Include all aspects to find out the accurate consumer behaviour before and after the implementation of FDI Policy. Proper research to identify other factors that are influencing the consumer behaviour

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apart from FDI policy and try to find out the relation between all these factors. Include different region to identify the consumer behaviour so that all the factors can be included into the study.

4.5 Limitations of Study

- Customers behaviours is continually changing so that it is possible that same respondents have different opinion after few months.
- The growth predicted, and the improvement in ranking will be affected by Covid 19 going on currently in the whole world, and that effect can be seen in the ranking of 2020 which will be done by World Bank .
- Though effort has been made to include respondents belonging to various age group even then this sample may not be truly representative of the Universe.
- The analysis has been carried out based on data received from participants of the survey, and the online reports, and articles which may or may not be completely true.
- There can be a slight difference in the perception of various people writing articles, and reports.

Chapter-5 Conclusion

Going to the Buying conduct of clients by changes in FDI strategy in E-Commerce, it is seen from the respondents that they are for the most part impartial with respect to this arrangement. The respondents felt that 25% top by a specific merchant will diminish the offers, however they will even now keep purchasing on the web in view of the burden of purchasing disconnected. Likewise, the respondents felt that they don't need items to be selective on any site and there ought to be sound rivalry on all the sites.

You likely have gone over a few staggeringly modest arrangements on Flipkart and Amazon yet such limits are set to plunge forcefully on a select scope of items. Truth be told, a few costs have been as of now reconsidered by the major online commercial centers.

New buys from either Amazon or Flipkart would likewise cost you more as the items will be sold legitimately by means of an outsider dealer, who is probably going to charge more than the current stock based framework.

Potential Effects of FDI strategy on purchasers following 10 years of Implementation

The gathering which is generally influenced by the strategy is the end purchasers, who utilized offers and limits of online retailers for every one of their needs, including the most essential needs of goods and dress. This will eventually bring about less shopping by a dominant part of clients. The finish of selective arrangements will likewise embroil the clients. That projection depended on client and statistical surveying in a pre-Covid 19 world. Be that as it may, over the most recent 2 months, both the market scene and buyer conduct has changed to the point of being unrecognizable.

As the network moves past the endurance mode, the computerized appropriation energy is probably going to convey advance and gotten perpetual. This expression point will be fundamentally formed by two significant moves in client conduct - the hesitance to blend in packed open spots and higher affinity for computerized appropriation. The web based business industry been straightforwardly affecting the miniaturized scale, little and medium ventures (MSME) in India by giving methods for financing, innovation and preparing and has a positive falling impact on different enterprises also. The Indian internet business industry

has been on an upward development direction and is required to outperform the US to turn into the second biggest web based business showcase on the planet by 2034.

Future research

In the wake of having directed our exploration and thinking about the confinements in time and assets that we had been confronting, it would hold any importance with inspect our examination theme further just as more significantly. Beneath, we have recorded a couple of reasonings for conceivable future research:

Lead a review on a bigger example, likewise including individuals that are not understudies and dividing as indicated by that. This could discover new sections, with new expository prospects.

This examination was led from the shoppers perspective, and if could likewise be led with more noteworthy concentration towards the online retailer.

We found that Price, Trust and Convenience were factors that are significant when a shopper chooses to buy on the web, however it is fascinating to see whether the ideas of these components are seen similarly between all buyers or if there were any disparities.

Besides, it would be of fascinating to perceive how covid-19 will influence the purchaser conduct joined with the FDI approach.

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Annexure

The Survey questions :

Q 1- Gender?

    1. Male

    2. Female

Q 2- Age?

    1. 18-24

    2. 25-34

Q 3- Education Level?

    1. Graduation

    2. Post Graduation

    3. Doctorate

Q 4- Have you ever done Online Shopping?

    1. Yes

    2. No

Q 5- If Yes, then what motivates you to buy online?

    1. Wide Range of Products

    2. EMI options

    3. Higher Discounts

    4. Easy Payment

    5. Laziness

    6. Convenience

Q 6 **-** Do you feel Online Shopping companies provide competitive prices?

1. Yes

2. No

Q7- Which of the following website do you prefer buying online? (Select most preferred)

1. Amazon

2. Flipkart

3. Snapdeal

Q8- What factors help you decide which site to use for online shopping?

1. Search Engine

2. Special offer on site

3. Advertising

4. Product Exclusive on a particular site only

5. Discount given by a particular seller on a site (like Cloudtail on Amazon India or WS Retail on Flipkart etc)

6. Personal recommendation

Q9- How often do you shop online?

1. Less than twice a month

2. 2-4 times a month

3. 4-6 times a month

Q10- Have you heard of the new changes in FDI policy of E-Commerce by the Government?

1. Yes

2. No

3. No Maybe

Q11- Do you feel that 25% cap on each seller for a site will lower the trends of online shopping?

    1. Yes

    2. No

    3. No Maybe

Q 12- Will you still prefer buying products online if the discounts will be removed?

    1. Yes

    2. No

    3. No Maybe

Q13- Do you think exclusivity of any product on a particular website is good (Like OnePlus sells its mobile only on Amazon)?

    1. Yes

    2. No

    3. No Maybe

Q14- Would you prefer Brick & Mortar shops to Online shopping, if there are no heavy discounts given to customers?

    1. Yes

    2. No

    3. No Maybe

Q15- Do you feel that new guidelines are bad for customers of online shopping?

    1. Yes

    2. No

    3. No Maybe

Q17- Are you willing to spend more on the products to uplift the Brick & Mortar shops, who were discriminated due to online shopping portals?

   1. Yes

   2. No

   3. No Maybe

Q18- How is your experience with Online shopping?

Q19- Would you consider shopping in future with the same or higher frequency as earlier, after the implementation of new policy?