UNDERSTANDING CONSUMER BEHAVIOUR IN DIGITAL ERA

Dissertation

Submitted to the University of Calicut in partial fulfillment of the requirement for the award of the Degree of Master of Arts in Economics

Submitted By

ROHITH RAJ P.R

RegNo. AIAWMEC020

Under the guidance of
SHANILKUMAR AYYAPPAN

Assistant Professor

P.G Department of Economics

M.E.S Asmabi College P.Vemballur P.O

Kodungallur, Thrissur- 680 671

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> **Assistant Professor**
> MES Asmabi College

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I, **ROHITH RAJ P.R ,** do hereby declare that the project entitled **UNDERSTANDING CONSUMER BEHAVIOUR IN DIGITAL ERA** is an authentic record of work carried out under her guidance of **SHANILKUMAR AYYAPPAN**, Assistant professor, Department of Economics. I further declare that this report has not previously formed the basis for the award of any degree, diploma or similar title at any other university.

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CONTENTS

CHAPTER 1

DESIGN OF THE STUDY

Introduction

Today's rapidly evolving digital landscape, understanding consumer behavior has become more complex and critical than ever before. The advent of the internet and the proliferation of digital technologies have fundamentally transformed how consumers interact with brands, make purchasing decisions, and engage with products and services. This project aims to explore the multifaceted nature of consumer behavior in the digital era, examining the key drivers and trends that influence modern consumers.The digital era has introduced a excess of new touchpoints and platforms, from social media to e-commerce websites, which offer unprecedented access to consumer data and insights. These advancements have enabled businesses to tailor their marketing strategies more precisely, but they also require a deeper comprehension of the digital consumer's motivations, preferences, and behaviors. By leveraging data analytics, machine learning, and behavioral science, this study will dissect how digital environments shape consumer decision-making.This project explores various aspects of consumer behavior in the digital age; It focuses on key areas such as online product research, customer service, product brands, online reviews, factors influencing purchasing decisions, online advertising, price comparison, and personal safety for consumers on the Internet. Access to information in ways never seen before. Online research on products has become the basis for purchasing, enabling consumers to make informed decisions. Customer service continues to evolve with digital platforms providing new ways for instant support and interaction, impacting customer satisfaction and trust. Find products that fit your specific needs. Online reviews have become a powerful force; peer reviews and ratings play an important role in influencing purchasing decisions. Factors such as convenience, reputation and social impact continue to drive these decisions in digital marketing. Additionally, price comparison websites and tools make it easier for consumers to find the best deals, further influencing purchasing behavior. Consumers are increasingly aware of the risks associated with online transactions, including security breaches and data privacy. Solving these problems is important for businesses to build trust and provide a safe shopping experience. By analyzing these factors, businesses can better manage the complexities of today's business world and meet the needs of digitally savvy consumers.

Objectives of the study

1. To analyze the impact of e-commerce on consumer behavior.

2. To identify the key factors that influence online consumer decisions.

3. To evaluate the effectiveness of various digital marketing strategies in building consumer trust and loyalty.

Methodology

The study used primary data. Primary data have been collected from 63 respondents through a structured questionnaire.

The primary data was collected from EDATHIRUTHY Grama panchayath. In order to analyze the data collected simple statistical tools are used like piecharts and simple percentage method.

The secondary data was collected from various sources like books, articles, Wikipedia, newspaper.

Scope of the study

In today's rapidly changing digital era understanding consumer behaviour has more important than ever.The change from traditional to digital media has significantly changed how consumers interact with making purchasing decisions,brands, decisions,and develop loyalty.

This studies main objective is to explore these changes in depth , providing valuable insights. In terms, of academic contribution this research will contribute the academic field by filling gaps in existing literature on consumer behaviour in digital era. It will provide various information like how digital platform influence consumer decisions and preferences,

In terms of business especially those in digital marketing and e commerce understanding these changes in consumer behaviour is crucial for marketing effective strategies, form this study it will help business tailor their marketing efforts, improve customer engagement and eventually drive sales . Business companies can better understand the digital point that most influence consumer behaviour leading to more targeted and effective marketing strategies. Policy markets and regulators can benefit from the study by getting a clearer understandment of the digital consumer era.

In terms of consumer awareness by bringing light on the different factors that influence consumer behaviour online, This study can help customers become more aware of the influences affecting their purchasing decisions. This awareness can help consumers in their traditional decision making.

This study also helps technology developers and designers about the needs and preferences of digital consumers.This can lead to more user friendly and effective digital platforms that improve consumer experience.

Understanding Consumer behaviour in digital era can have a broader economic implications businesses that effectively leverage this knowledge can increase growth, innovation and competition in digital market platform contributing to economic development.

In conclusion,this study understanding consumer behaviour in digital era is significant as it addresses key aspects of how digital transformation is reshaping consumer decision making process and interactions . The findings will provide valuable insights that can helpful to academics, business, policy makers and consumer creating more informed and effective digital economy.

Limitations of the study

1. Limited value of time .
2. Some important questions are not answered by respondents
3. Some people are not aware of the digital consumer era .
4. It adversely affected the study.

CHAPTER 2

REVIEW OF LITERATURE

1) Theoretical Perspectives Ajzen, I. (1991). The Theory of Planned Behavior.This paper outlines the Theory of Planned Behavior, which is crucial for understanding how attitudes, subjective norms, and perceived behavioral control influence consumer intentions and behaviors in digital contexts. Ajzen's Theory of Planned Behavior (TPB) proposes that the intention to perform a behavior is influenced by three factors: attitude towards the behavior and control of the behavior.

2) Kotler, P., & Keller, K. L. (2016). Marketing Management.Kotler and Keller's comprehensive guide covers the fundamentals of marketing, including consumer behavior theories relevant to the digital age. Kotler and Keller's seminal work on consumer behavior in "Marketing Management" explores cultural, social, personal, and psychological factors influencing consumer decision-making. Their framework delineates how these factors shape consumer preferences, motivations, and buying processes across diverse contexts.

3) Rogers, E. M. (2003). Diffusion of Innovations.Rogers' theory explains how new ideas and technologies spread among consumers, highlighting factors that influence adoption in the digital era.Everett Rogers' "diffusion of innovations" theory has had a major impact on consumer behavior research by explaining how new products or ideas spread among consumers. It talks about factors that influence adoption rates, such as perceived benefits of the innovation, communication, and social context.

4) Empirical StudiesGrewal, D., Roggeveen, A. L., & Nordfält, J. (2017). The Future of Retailing.This study examines how digital innovations are transforming retail, focusing on consumer behavior in online vs. offline environments.Grewal, Roggeveen and Nordfält's research on the future of retail provides insight into how advances in technology, omnichannel strategies and changing consumer preferences are changing consumers' behavior.

5) Hoffman, D. L., & Novak, T. P. (1996). Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations.The authors explore how digital environments change consumer behavior, including issues of interactivity and user experience.Hoffmann and Nowak studied marketing in a hypermedia computer-mediated environment, investigating how digital influences influence consumer behavior. His work

explores the impact of interactivity, personalization, and virtual communities on consumer decision-making and product relationships.

6) Edelman, D. C., & Singer, M. (2015). Competing on Customer Journeys.This article investigates how digital touchpoints influence consumer decision-making processes and loyalty.Edelman and Singer's study of the customer's competitive journey found that brands can influence customer behavior throughout the purchasing process. Their research highlights the importance of customer conflict, interpersonal interactions, and effective collaboration in various social media environments.

7) Consumer Psychology Schmitt,B. (1999). Experiential Marketing. Schmitt discusses the importance of creating engaging digital experiences that resonate with consumers on an emotional level.Bernd Schmitt's research in consumer psychology explores the deep emotional and psychological factors that drive consumer behavior. His research focuses on the role of emotions, cognitive experiences, and product associations in the formation of consumer preferences and decision-making processes.

8) Kahneman, D. (2011). Thinking, Fast and Slow .Kahneman's insights into cognitive biases and decision-making processes are highly relevant for understanding digital consumer behavior.Daniel Kahneman's book Thinking, Fast and Slow provides insight into user behavior by examining two systems: System 1 (fast, intuitive, and automatic) and System 2 (slow, thoughtful, and focused, calculated).

9) Ariely, D. (2008). Predictably Irrational .This book provides a deep dive into the irrational aspects of consumer behavior, many of which are amplified in digital environments.Social Media and Digital Marketing.Dan Ariely's Predictably Irrational problem solves traditional businesses by exploring how irrational behavior determines the way consumers make decisions. His research shows how factors such as cultural, emotional and cognitive biases influence purchasing decisions and often affect the value of business models.

10) Kaplan, A. M., & Haenlein, M. (2010). Users of the World, Unite! The Challenges and Opportunities of Social Media.This paper examines how social media platforms influence consumer behavior and the implications for marketers.Kaplan and Hahnlein's "Users of the World, United!" Discusses the impact of social media and user-generated content on

consumers. Their research explores how online communities, reviews, and influencers influence consumers' thoughts, preferences, and purchasing decisions.

11) Godes, D., & Mayzlin, D. (2004). Using Online Conversations to Study Word-of-Mouth Communication.The authors analyze the impact of online word-of-mouth on consumer decisions and brand perception.David Godes and Dina Mayzlin's research uses online interviews to examine word of mouth and explore how digital platforms influence consumers. His work explores how social media, chat and review sites contribute to word-of-mouth, influencing brand awareness and purchasing decisions.

12) Piskorski, M. J. (2014). A Social Strategy: How We Profit from Social Media.Piskorski provides a strategic framework for leveraging social media to influence consumer behavior.E-commerce and Online Shopping.M.J. Pikorski's work on a social strategy in consumer behavior examines how social media and digital platforms shape consumer interactions and purchasing decisions. His research explores the role of social influence, community engagement, and user-generated content in influencing consumer behavior. By developing effective social strategies, marketers can leverage these insights to enhance brand awareness, foster consumer trust, and drive engagement that ultimately impacts purchasing behavior positively in the digital era.

13) Verhoef, P. C., Neslin, S. A., & Vroomen, B. (2007). Multichannel Customer Management: Understanding the Research-Practice Gap.This study explores how consumers navigate between online and offline channels and the implications for businesses.Verhoef and Neslin's research on customer relationship management examines how customers interact in different ways (online, offline, mobile) and how they influence behavior. Their work highlights strategies for connecting pipelines to improve customer experience, loyalty, and purchasing behavior. By understanding these changes, marketers can develop more strategies to meet customer needs and manage customer relationships, ultimately increasing sales and competitive advantage in the evolving retail environment.

14) Cheung, C. M., & Lee, M. K. (2005). Consumer Satisfaction with Internet Shopping: A Research Framework and Propositions for Future Research.The authors propose a framework for understanding factors that drive consumer satisfaction in online shopping environments.Cheung C.M. and Lee MK found that customer satisfaction in online

shopping is influenced by website quality, user experience, perceived value, trust and security, and service provided to customers. A good website ensures good customer service, secure business and provides good customer support, thus increasing satisfaction. Customer experience and price awareness also play an important role. Satisfied customers are more likely to purchase again and engage in positive word-of-mouth marketing. Their research highlights the importance of these factors in creating online customers.

15) Chaffey, D., & Ellis-Chadwick, F. (2019). Digital Marketing: Strategy, Implementation and Practice.This book provides comprehensive coverage of digital marketing strategies and their impact on consumer behavior.Privacy and Security.Chaffey, D. and Ellis-Chadwick, F. investigate how digital marketing strategies and practices affect consumers. They emphasize the importance of data-driven marketing, personalization, and engaging with customers through a variety of digital channels. Effective use of social media, email marketing, search engine optimization, and content marketing can influence customer decisions. Their research highlights the need for digital marketing integration to enhance customer experience, increase conversions, and build trust. These strategies help companies change consumers' behavior in the digital environment.

16) Acquisti, A., Brandimarte, L., & Loewenstein, G. (2015). Privacy and Human Behavior in the Age of Information.This review discusses how concerns about privacy influence consumer behavior online.Acquisti, A., Brandimarte, L., and Loewenstein, G. (2015) examine the relationship between personality and consumer behavior. Their research shows that consumers often express privacy concerns but are still likely to compromise personal information for direct benefit or convenience. This conflict is influenced by factors such as perceived data governance, trust in the data collection organization, and nuances in the data requested. They argue that better privacy policies and transparency can reduce privacy concerns and increase trust in customer relationships. This study highlights the importance of striking a balance between privacy and personal initiative.

17) Belanger, F., Hiller, J. S., & Smith, W. J. (2002). Trustworthiness in Electronic Commerce: The Role of Privacy, Security, and Site Attributes.The authors explore factors that contribute to consumer trust in e-commerce environments.Belanger, F., Hiller, J.S. and Smith, W.J. (2002) investigate the role of trust in e-commerce and its impact on

consumer behavior. They define the key elements of trust, including the security, privacy, and trustworthiness of online sellers. Trust in the e-commerce website is important to reduce perceived risk and increase customer willingness to engage in online business. Their research found that greater trust leads to greater customer satisfaction, loyalty and repeat purchases.

18) Mobile Commerce.Shankar, V., Venkatesh, A., Hofacker, C., & Naik, P. (2010). Mobile Marketing in the Retailing Environment: Current Insights and Future Research Avenues.This paper discusses how mobile technologies are transforming retail and consumer behavior.Shankar, V., Venkatesh, A., Hofacker, C. and Naik, P. studied the impact of m-commerce on consumer behavior. They emphasize that mobile devices provide convenience, accessibility, and personalization that influence the purchasing process. Key elements include the availability of mobile apps, real-time data, and location-based services that increase customer engagement and satisfaction. Their research shows that m-commerce leads to more purchases, more purchases, and more customer loyalty. The research underscores the need for businesses to evolve their mobile platforms to meet changing customer needs and behaviors.

19) Gao, L., Waechter, K. A., & Bai, X. (2015). Understanding Consumers' Continuance Intention towards Mobile Purchase: A Theoretical Framework and Empirical Study – A Case of China.The authors provide insights into factors that influence mobile purchase decisions.Personalization and Consumer Experience.Gau, L., Waechter, K. A., and Bai, X. (2015) examined the factors that influence consumers' purchasing decisions. They found that perceived ease of use, perceived usefulness, and satisfaction influenced customers' continued use of m-commerce. Trust and perceived security also play an important role in supporting cooperation. Their research shows that a positive initial experience and trust on the mobile platform encourages repeat purchasing behavior. This study highlights the importance of improving usability, security, and overall satisfaction to increase customer satisfaction with mobile purchases.

20) Tam, K. Y., & Ho, S. Y. (2005). Web Personalization as a Persuasion Strategy: An Elaboration Likelihood Model Perspective.This study examines how personalized web content can influence consumer attitudes and behaviors.Tam, K. Y. and Ho, S. Y. (2005) investigate the impact of online personalization as a motivational factor on consumer

behavior. They found that personalized online experiences that align with individual interests and behaviors can keep users interested and engaged. Personalization can increase the perceived impact of content and products, which increases the risk of making a purchasing decision. Their study concluded that positive personalization strategies can lead to consumers' trust, confidence, and positive attitudes toward online retailers. This research highlights the power of personality in influencing consumer behavior and increasing e-commerce success.

21) Huang, M. H., & Rust, R. T. (2017). Technology-Driven Service Strategy.The authors explore how advanced technologies are used to enhance customer experiences and drive consumer behavior.Huang, M. H. and Rust, R. T. (2017) Examining the impact of technology-focused strategies on consumer behavior. Integrating technologies such as artificial intelligence, machine learning and automation into services can improve customer experience, they said. These technologies increase customer satisfaction and trust by providing more efficient, personalized and responsive service. Their research shows that technology strategies can transform service providers to make them more engaging and tailored to individual needs, providing impactful benefits in terms of customer behavior and building long-term customer relationships.

22) Consumer Behavior ModelsSolomon, M. R. (2018). Consumer Behavior: Buying, Having, and Being.Solomon's comprehensive text covers various models and theories of consumer behavior, including their application in digital contextsSolomon, M. R. (2018), in his book "Consumer Behavior", proposes several models to understand consumer behavior. These models include the cognitive decision model, which explains the steps consumers take to make a purchase decision, and the affective decision model, which explains the role of thinking in purchasing. Solomon also explores the influence of social, cultural, and psychological factors on the consumer decision-making process. His work highlights the complexity of consumer behavior, which is driven by a combination of emotions and feelings, social influences, and personal preferences. These models help marketers develop strategies to meet customer needs and preferences..

23) Fishbein, M., & Ajzen, I. (1975). Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research.Foundational work on the attitude-behavior relationship, essential for understanding consumer decision-making processes.Fishbein,

M. and Ajzen, I. (1975) proposed a model that links consumers' beliefs, thoughts, emotions, and behaviors. This model suggests that beliefs about a product or service combined with attitudes toward it create emotions. These emotions then influence the behavior of actual consumers. Their research highlights the importance of understanding consumers' beliefs and attitudes as determinants of decision making and behavior. The model has been influential in business and consumer research by providing an understanding of how attitudes and emotions translate into consumer behavior.

24) Technology Acceptance Davis, F. D. (1989). Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology.Davis's Technology Acceptance Model (TAM) is a key framework for understanding how consumers adopt and use new technologies.Davis, F. D. (1989) introduced the Technology Acceptance Model (TAM), which focuses on perceived usefulness and perceived ease of use as key factors in users' acceptance of information technology. TAM says customers will be more likely to use technology if they believe it is useful for their needs and easy to use. Davis' research highlights the role of these factors in shaping consumer behavior regarding technology adoption and use. TAM is widely used to understand customer acceptance of various technologies and influence strategies to improve user experience and adoption rates.

25) Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User Acceptance of Information Technology: Toward a Unified View.This paper integrates multiple models to provide a unified view of technology acceptance.Venkatesh, V., Morris, M.G., Davis, G.B. and Davis, F.D. (2003) extended the Technology Acceptance Model (TAM) to investigate user acceptance of information technology and how it affects consumer behavior. Their research identified factors that influence technology use, such as perceived usefulness, perceived ease of use, and personal attitudes. They added that positive customer experiences and tangible benefits are key to encouraging acceptance and continued use of the technology. This study highlights the importance of understanding these factors when designing technology that responds to customer needs and preferences, thereby influencing customer behavior in use and technology.

26) Cultural InfluencesHofstede, G. (1984). Culture's Consequences: International Differences in Work-Related Values.Hofstede's cultural dimensions theory helps explain how cultural differences impact consumer behavior in digital markets.In his seminal work

The Value of Culture, Hofstede, G. (1984) examines how cultural dimensions influence consumer behavior. It identifies important cultural factors such as individualism versus collectivism, power distance, uncertainty avoidance, and masculinity versus femininity. These dimensions affect consumer preferences, decision-making processes and purchases by affecting the values, beliefs and attitudes in society. Hofstede's research demonstrates the importance of cultural differences in understanding the behavior of international consumers and shows that marketers must change ownership eight to local rules and values to be effective and attract different customers.

27) De Mooij, M., & Hofstede, G. (2011). Cross-Cultural Consumer Behavior: A Review of Research Findings.The authors review how cultural factors influence consumer behavior across different digital environments.Consumer Trust and Loyalty.De Mooij, M. and Hofstede, G. (2011) In-depth study of the behavior of different consumers based on Hofstede's leadership theory. His research investigates how cultural differences affect consumer attitudes, preferences and behavior in different societies. They emphasize the influence of culture, norms, and social norms on consumer decision-making, brand perception, and advertising effectiveness. Research shows the complexity of cross-industry marketing strategies; It shows that successful campaigns are determined by culture and the message is modified to suit the different rules of the culture. Understanding these changes can help marketers better navigate global markets and create strategies that align with local consumers and cultural expectations.

28) McKnight, D. H., Choudhury, V., & Kacmar, C. (2002). Developing and Validating Trust Measures for E-Commerce: An Integrative Typology.This study develops measures for understanding trust in e-commerce, a critical factor for online consumer behavior.McKnight, D. H., Choudhury, V., and Kacmar, C. focused specifically on the development and applicability of a trust model for e-commerce. Their research aims to understand how trust affects consumer behavior in online shopping. They identified the importance of trust, including competence, fairness, helpfulness, and predictability, and examined how these factors affect user experience such as online shopping and information sharing. This study highlights the importance of trust in establishing an e-commerce relationship and increasing customer confidence in online shopping. Its

reliable evidence provides businesses with insights to increase trust and improve customer experience in digital environments.

29) Reichheld, F. F., & Schefter, P. (2000). E-Loyalty: Your Secret Weapon on the Web.The authors discuss strategies for building consumer loyalty in digital environments.They say building relationships through personal experience, excellent service and motivation can improve customer retention and increase lifetime value. Their research highlights the importance of customer loyalty programs, satisfaction measurement, and effective communication in developing e-loyalty. Companies focused on maintaining customer loyalty and satisfaction can use e-loyalty to best influence online customer behavior.

30) Emerging Trends Deloitte. (2021). Global Marketing Trends.This report provides insights into current and future trends in digital marketing and consumer behavior.It highlights the increasing importance of brand marketing, digital transformation and personalized customer experience. The report highlights the impact of sustainability, integration and ethics on consumer preferences and purchasing decisions. Deloitte believes that artificial intelligence and data-driven insights are important to instantly understand and respond to customer behavior. Overall, the report highlights the changing landscape where brands must innovate and adapt their strategies to meet changing consumer needs.

Research gap

Despite extensive research on digital consumer behavior, there is a significant gap in understanding the negative impact on consumer trust and ratings of remedy . In particular, there is limited research on how the credibility of online reviews varies across cultures and ethnicities. Addressing these differences can inform strategies to increase consumer trust in digital platforms, thereby influencing purchase decisions in competing digital marketplaces. In this study aspects of online shopping have been studied extensively, there remains a large gap in understanding the interaction between these factors. Research has explored the impact of online product research, customer service, and online reviews on purchasing decisions, but little is known about the factors they work together to influence customers. Moreover, while factors such as online advertising and personal data security are examined separately.

CHAPTER 3

OVERVIEW OF THE STUDY

OVERVIEW

The rapid expansion of e-commerce has changed consumer behavior and people are paying more attention to digital commerce. The project aims to investigate several important aspects of online shopping, focusing on the various factors that influence consumer decisions and experiences. The research will explore how consumers research online and the role of customer service in making online purchases. In addition, the effect of online product reviews on purchasing decisions will be examined and the main factors that make consumers prefer online stores will be determined. . By combining these different factors, this study aims to better understand how they collectively influence consumer behavior and satisfaction in online shopping. Ultimately, the project aims to provide.

Global scenario

In the global e-commerce environment, the power of online shopping continues to evolve under the influence of many factors. Consumers around the world rely on online research to compare products and make purchasing decisions based on detailed information and reviews. Good customer service in online business influences customer satisfaction and trust, demonstrating the need for good service and efficiency. Online advertising strategies are important for attracting customers and increasing website traffic, and as online threats become more sophisticated, data security Self is still paramount. Factors that influence purchasing decisions, such as price, convenience, and reputation, vary by region, increasing the complexity of international marketing strategies. The project aims to analyze these impacts to better understand consumer behavior in online commerce, providing information that can improve global commercial e-commerce and promote safe and secure business transactions.

Customer service has evolved into the digital age, using live chat, email support, AI-powered chatbots, and social media interactions to ensure customer satisfaction and loyalty. Online reviews have become a powerful tool for influencing consumer behavior by providing a trusted, peer-to-peer view of product quality and reliability. Factors such as price, quality, reputation and accuracy of online reviews play an important role in influencing purchasing decisions, and these factors are often influenced by mental health such as violence and social proof. E-commerce companies use online advertising through search engines, social media, and affiliate marketing, using platforms like Google Ads and Facebook Ads to reach and engage their target audiences. Price comparison tools, including sophisticated websites and mobile apps, have become indispensable for consumers to find the best deals, fueling a highly competitive market. Ensuring the security of online platforms is important because businesses use common sense, payment security and strict rules to protect users and build trust. The evolving landscape of e-commerce reflects the interplay of key factors driving growth and innovation in the global economy and highlights the importance of technological advances and change in customer needs.

Indian scenario

India is experiencing rapid growth in the e-commerce space, driven by digital marketing, internet penetration, and smartphone usage. Indian consumers are increasingly engaging in online research, using multiple platforms to compare products and read reviews before making a purchase decision. Good customer service is important when shopping online because Indian customers want timely and effective support. Online reviews are very helpful in making a purchase decision; most shoppers rely on peer reviews to guide their choices. Online advertising plays a significant role in reaching diverse customers, and as online commerce grows, concerns about data security are also increasing. Factors such as price sensitivity, convenience and trust in reputation are particularly influential in the Indian market. The project aims to investigate these changes in detail, understand how these trends are affecting consumers in India's growing e-commerce market, and suggest ways to increase customer satisfaction and loyalty. As Indian consumers value peer opinions and user-generated content, online reviews play an important role in influencing purchasing decisions. Factors such as price sensitivity, quality, reputation and reliability of online reviews are important in building a customer base. E-commerce in India uses online advertising strategies, including search engines, social media, and collaboration on platforms like Google, Facebook, and Instagram, to reach and engage its target audience. Indian consumers widely use price comparison websites and mobile apps to find the best deals, reflecting the value-seeking culture. Ensuring the security of online platforms is important, and businesses must use high levels of encryption, use secure payment gateways and comply with data protection laws to gain customers' trust. The growth of e-commerce in India reflects the convergence of technology and traditional business practices to adapt to India's unique needs and drive economic growth and digital inclusion.

Kerala scenario

Digital platform is growing rapidly in Kerala, thanks to the high literacy rate and widespread internet usage. Consumers in Kerala conduct online research to make informed purchasing decisions based on detailed product information and ratings. Good customer service is important because local customers need timely and effective support throughout the online shopping process. Online reviews play an important role in influencing purchasing decisions; Many shoppers are looking for feedback and advice. Effective online advertising is important to attract Kerala customers; At the same time, ensuring the security of personal information is a top priority when it comes to privacy concerns. Factors like competitive pricing, convenience, and trust in local and national brands influence purchasing in Kerala. The project aims to analyse these interactions to better understand consumer behaviour in online commerce in Kerala and offer strategies to increase customer satisfaction pressure and trust in the digital economy. Consumers in Kerala are increasingly using online websites to research and purchase products ranging from electronics to clothing, food to local handicrafts. The online research process is extensive; consumers gather detailed information and analysis using research, social media and Malayalam websites and then regret their purchase. The range of products meets the needs of Kerala's unique culture and lifestyle, including the growing demand for organic produce and locally produced products. Customer service for e-commerce in Kerala has been upgraded to provide support in Malayalam through live chat, email and AI chatbots to ensure accessibility and satisfaction of everyone using it. Online reviews are useful because kerala trust peer reviews and detailed user reviews. Factors such as price, product quality, reputation, and accuracy of reviews influence the purchasing decision. E-commerce in Kerala leverages targeted online advertising strategies such as partnering with local influencers on search engines, social media, and platforms like Google, Facebook, and Instagram to reach and engage its target audience. Consumers widely use price comparison tools and mobile apps to get the best deals with value for money in mind. To support people's trust in products, it is important to ensure security measures are in place on online platforms, with businesses using common sense and complying with payment security and data protection laws. The growth of e-commerce in Kerala reflects the convergence of the digital economy with the knowledge culture and economy of the region, encouraging digital inclusion and restoration work in this beautiful state.

CHAPTER 4

DATA ANALYSIS & INTERPRETATION

Profile of the study area

Edathiruthy Gram Panchayat is a rural body and is a part of Mathilakam Panchayat Samiti in Thrissur Zila Parishad. There are 2 villages in Edathiruty Gram Panchayat. Gram Panchayat Mathilakam is further divided into 18 districts. Gram Panchayat Mathilakam has a total of 16 elected members. Gram Panchayat Mathilakam has a total of 18 schools. Edathiruthy is a civilian town in Thrissur district of Kerala state. As per the report published by Census of India 2011, the population of Edathiruthy town is 12,921 out of which 5,782 are male and 7,139 are female.In Edathiruthy city census, female sex ratio is 1235 as compared to state average of 1084. Literacy rate is 96.32% higher than the state average of 94.00%. Male literacy in Edathiruthy is about 97.85% while female literacy is 95.11%.

Demographic Details of Edathiruthy

Area	5.45 km^2
Population	12,921
Male	5782
Female	7139
Literacy rate male(%)	97.85%
Literacy rate female	95.11%
Sex ratio	1235
Child sex ratio	963

DATA ANALYSIS

Figure 1 – In figure 1 it shows percentage level of number of respondents. It shows that the most of the respondents is aged between 18 to 25 that is 56 % and less respondents came age level is between 36 to 45.
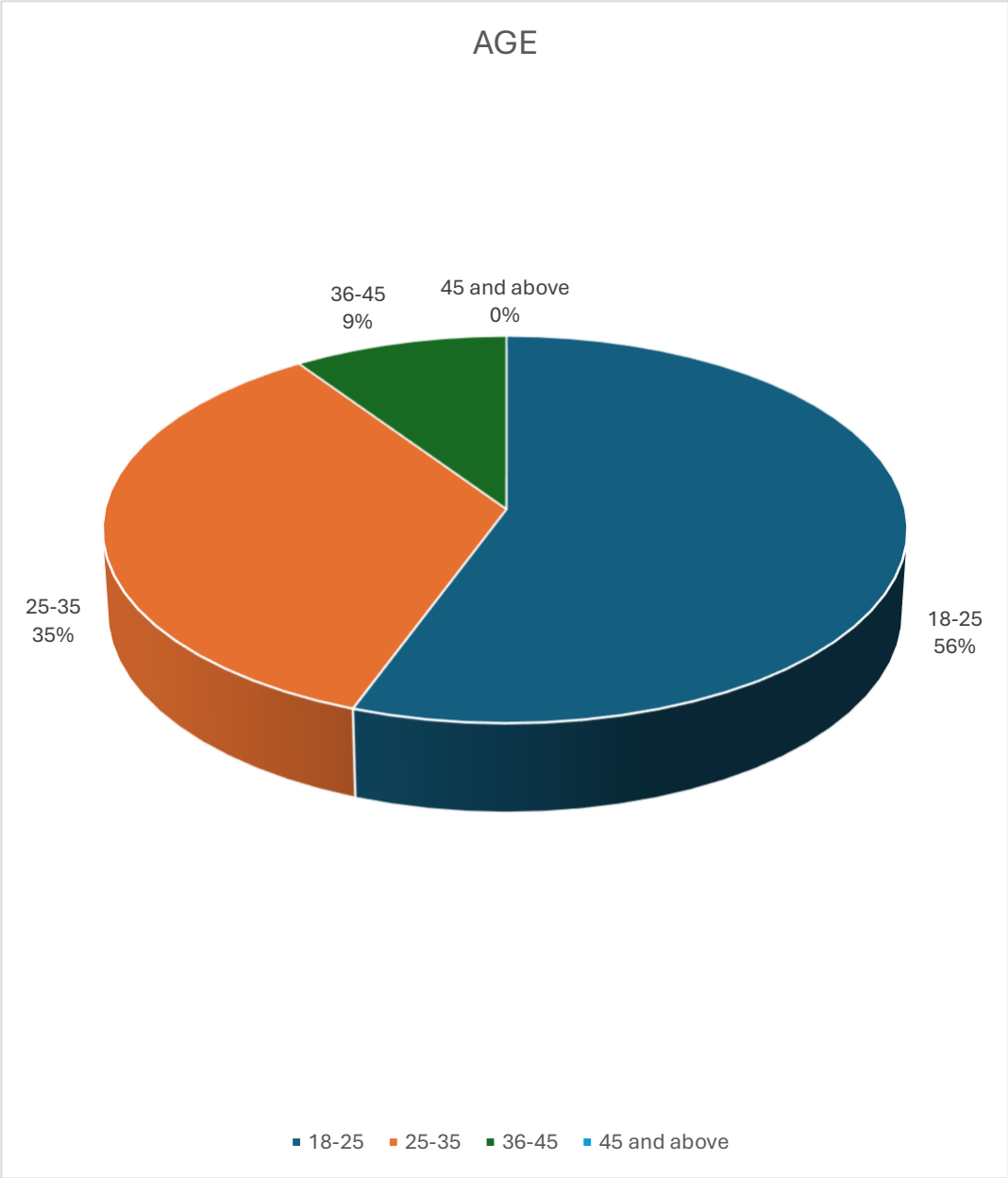
It shows most of the online consumers are aged between 18 to 25.

Figure 2- In figure 2 shows most of the respondents are male which is 78% and female respondents are 22%.
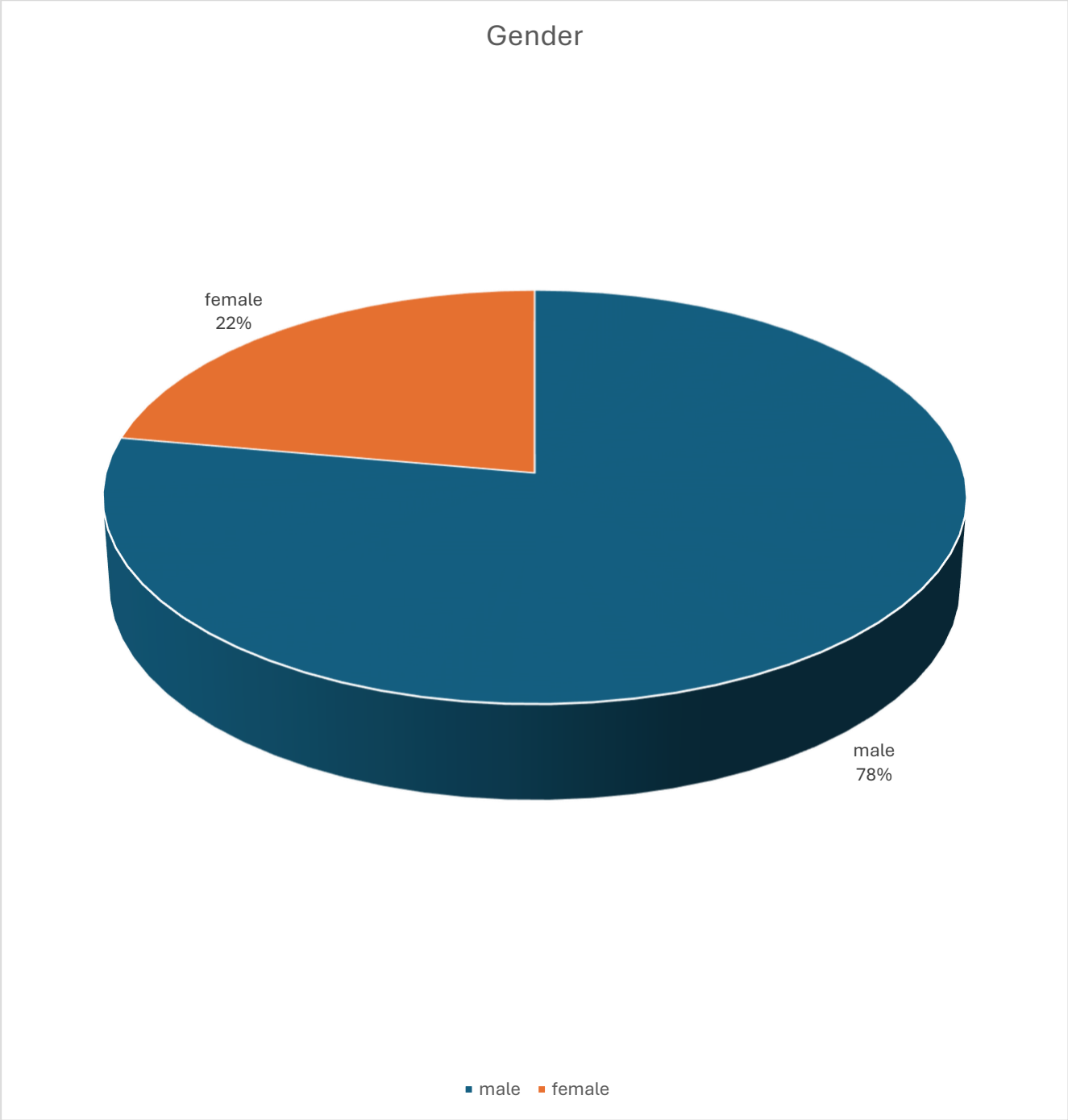
Gender

female
22%

male
78%

■ male   ■ female

Figure 3 -In this figure it shows which primary device they use when they purchasing online and it says that most of them uses smartphone as their primary device which is 65% and 25% uses tablets and 10% uses computer as their primary device.
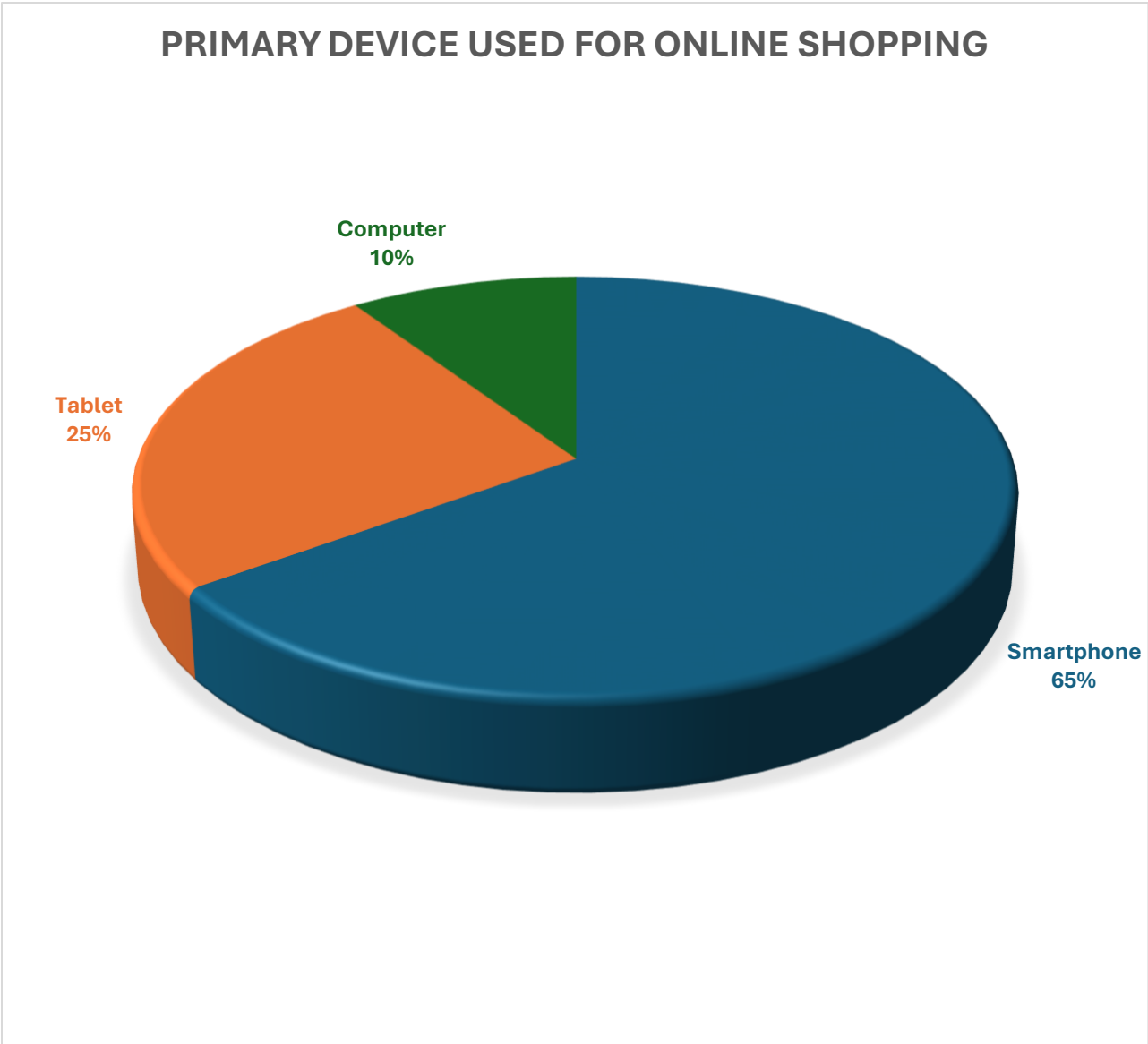

PRIMARY DEVICE USED FOR ONLINE SHOPPING

Figure 4 – In figure 4 it shows importance of online research before making a purchase.

It shows 48% of the respondents occasionally research products online and 20 % frequently research online before they purchase and respond like always and rarely are same 16%.

ONLINE RESEARCH BEFORE MAKING A PURCHASE
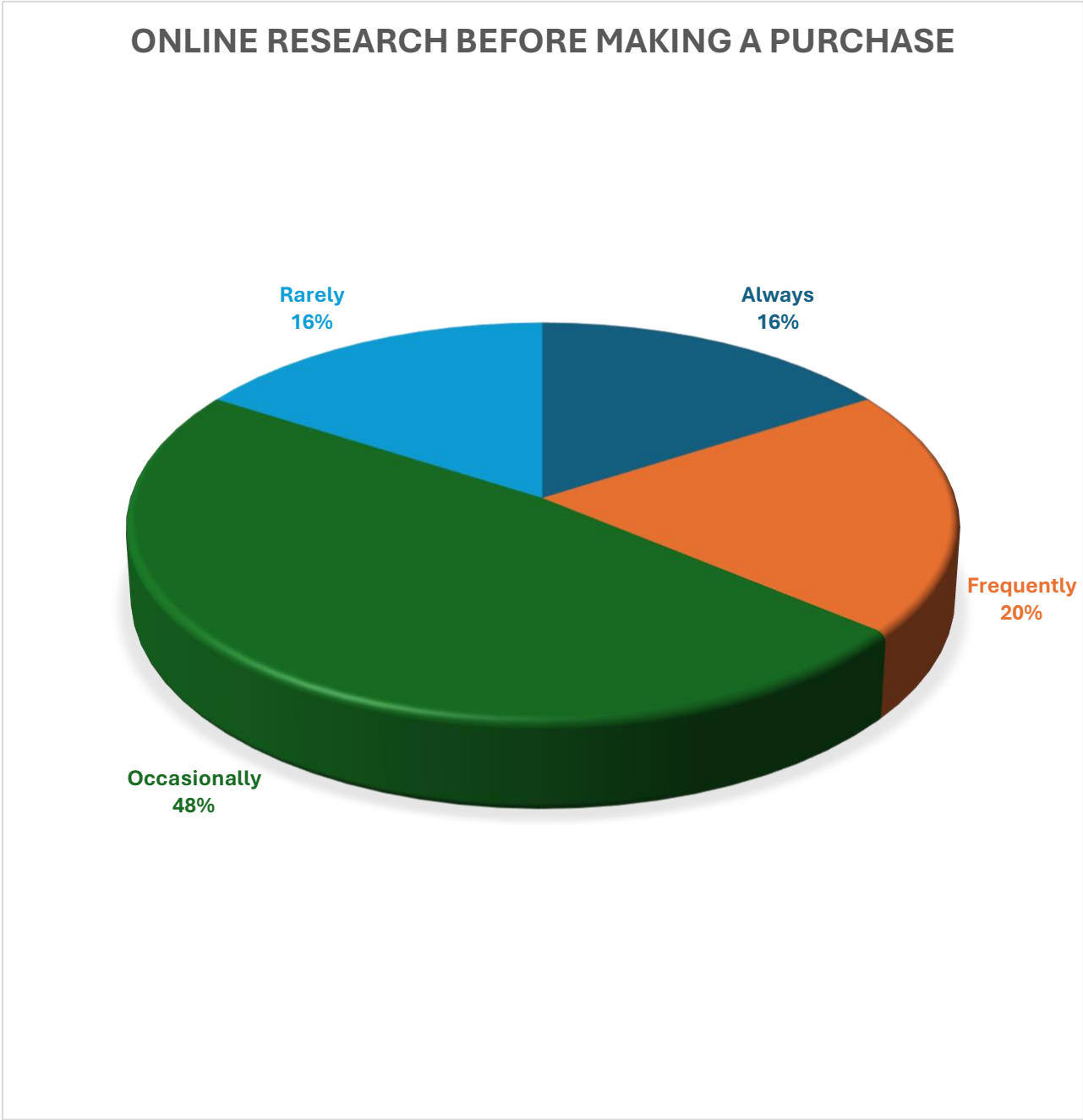
Figure 5 – In figure 5 it shows importance of customer service when making an online purchase and 51% says it's important and 20% says neutral and 18% says it's very important and 11% says its not important at all.

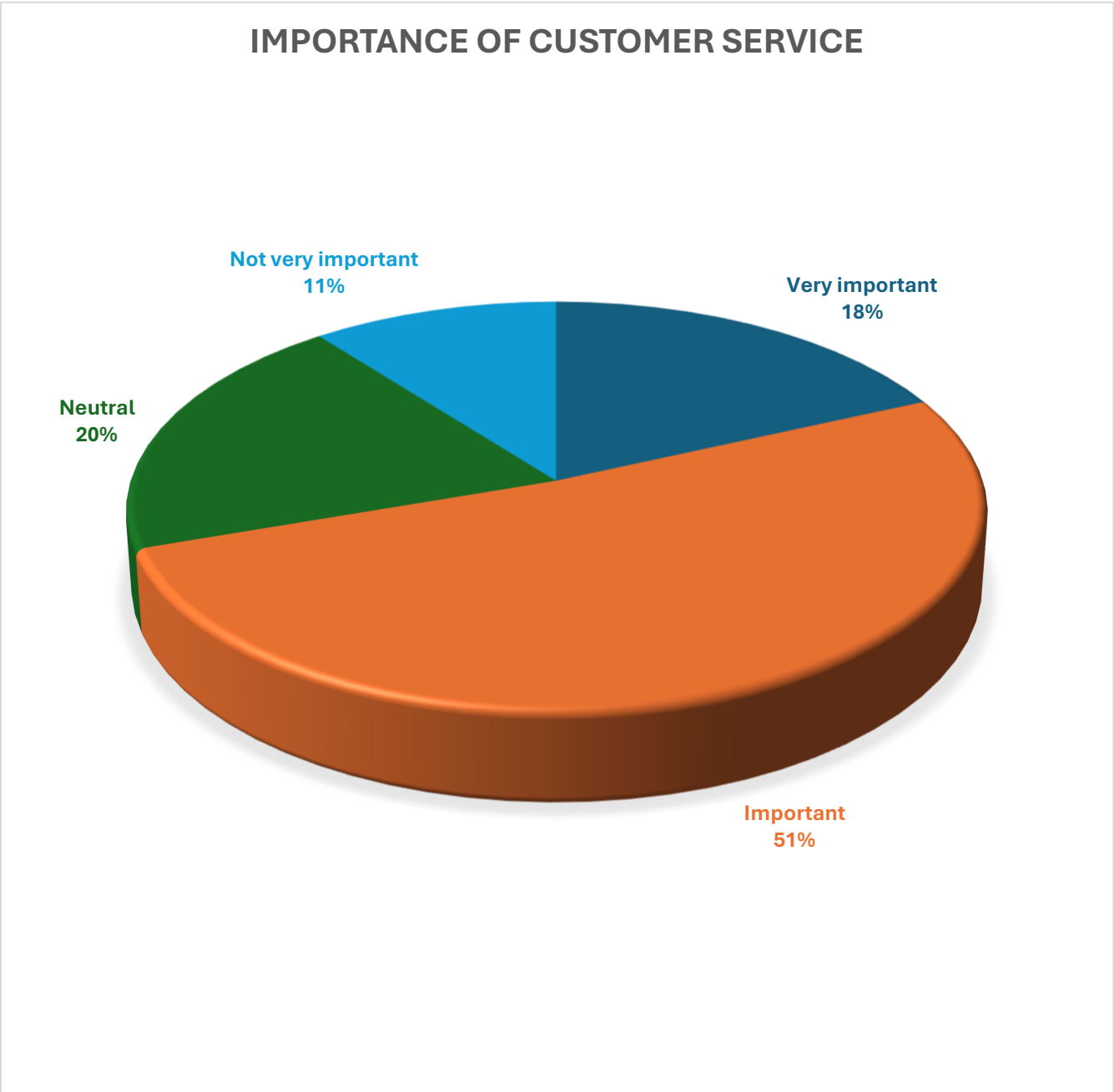**IMPORTANCE OF CUSTOMER SERVICE**

Figure 6 – In figure it shows what type of products respondents buy usually when they make a purchase on online . 63 % respondents buys electronic products and 34% buys clothing only 3 % purchase groceries from online shopping.

TYPES OF PURCHASE
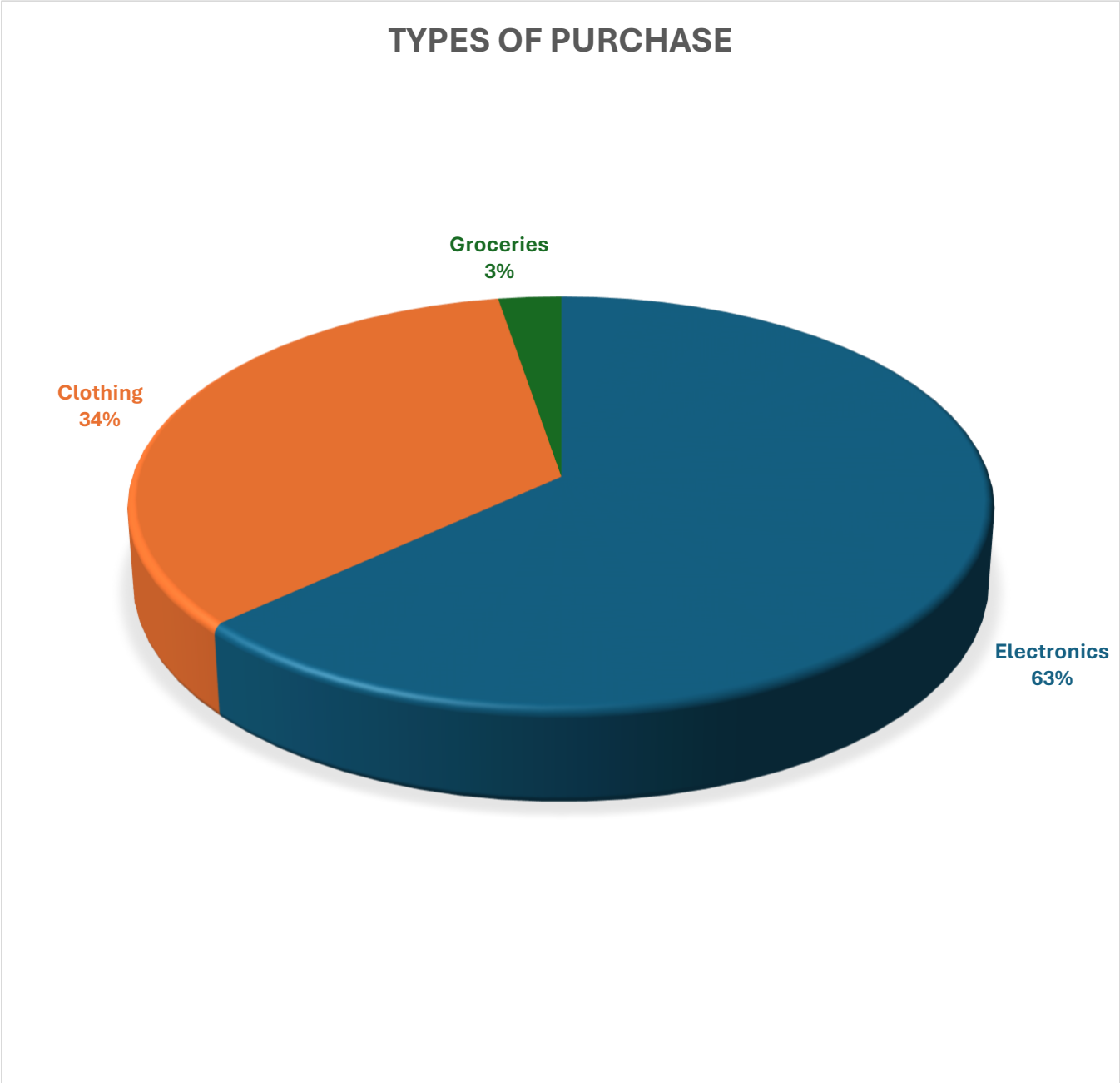
Groceries
3%

Clothing
34%

Electronics
63%

Figure 7 – In figure 7 it shows the dependence of social media recommendation when buying products online. Most of the respondents occasionally rely on social media that is 44% and very often is 27% and rarely 21% and people never uses social media is only 8%..
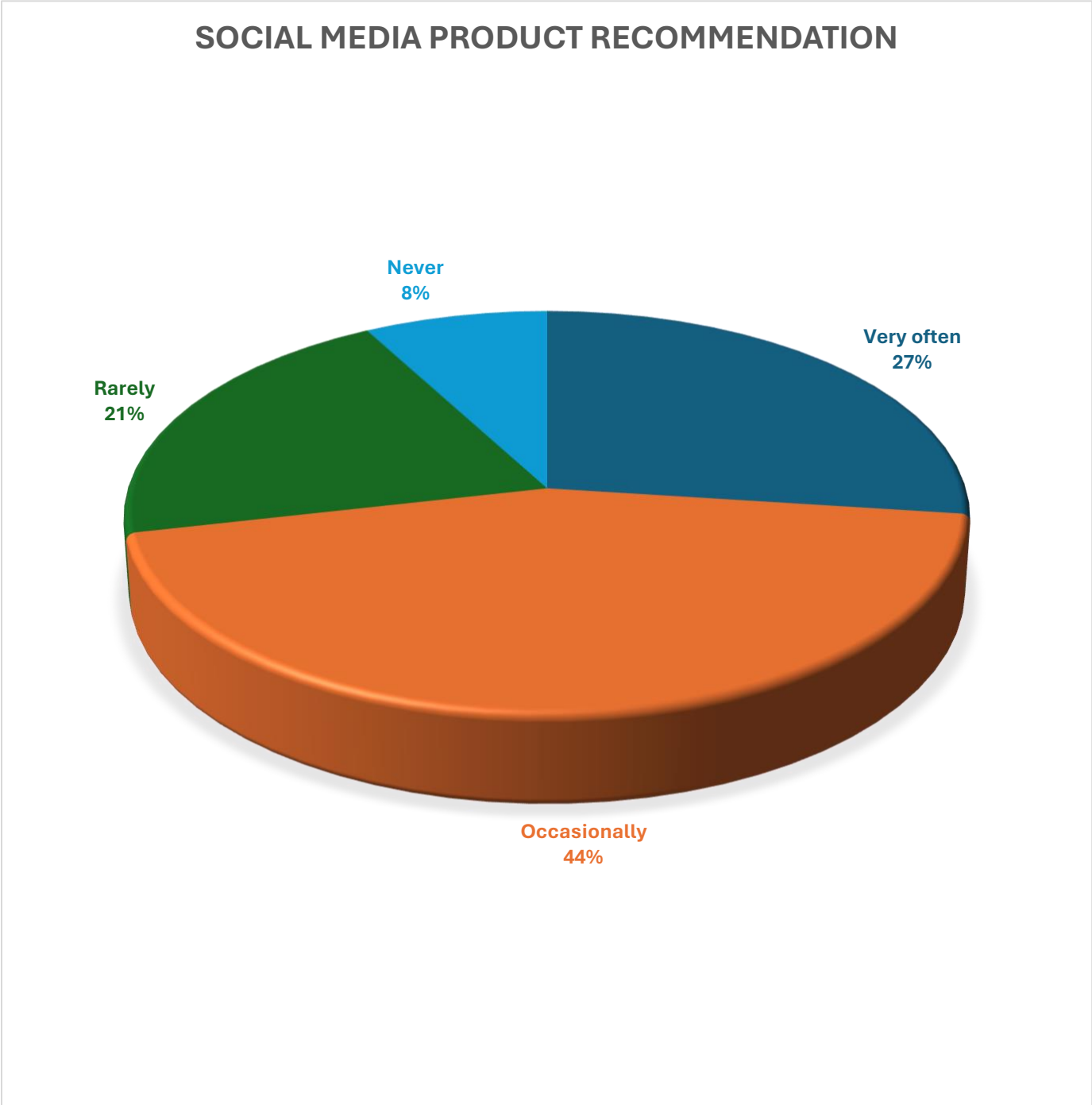
SOCIAL MEDIA PRODUCT RECOMMENDATION

Figure 8 - In figure 8 it shows the personal marketing messages that respondents receives when they make purchase on online . Most of the respondents occasionally recieves personal marketing messages and 31% says they rarely receives and 18% says they very often receives personal marketing messages.

PERSONAL MARKETING MESSAGES

Figure 9 – In figure 9 it shows the respondents that faced the security breach or fraud while they purchase online and 60% says they face security breach and 40% shows that they never faced security breach.

FACED SECURITY BREACH OR FRAUD WHILE SHOPPING ONLINE

No 40%

Yes 60%

figure 10 – In figure 10 it shows the usage of customer service when purchasing online products and 46% occasionally uses customer service and 27% says they frequently and rarely uses customer service.

CUSTOMER SERVICE USAGE

Never
0%

Rarely
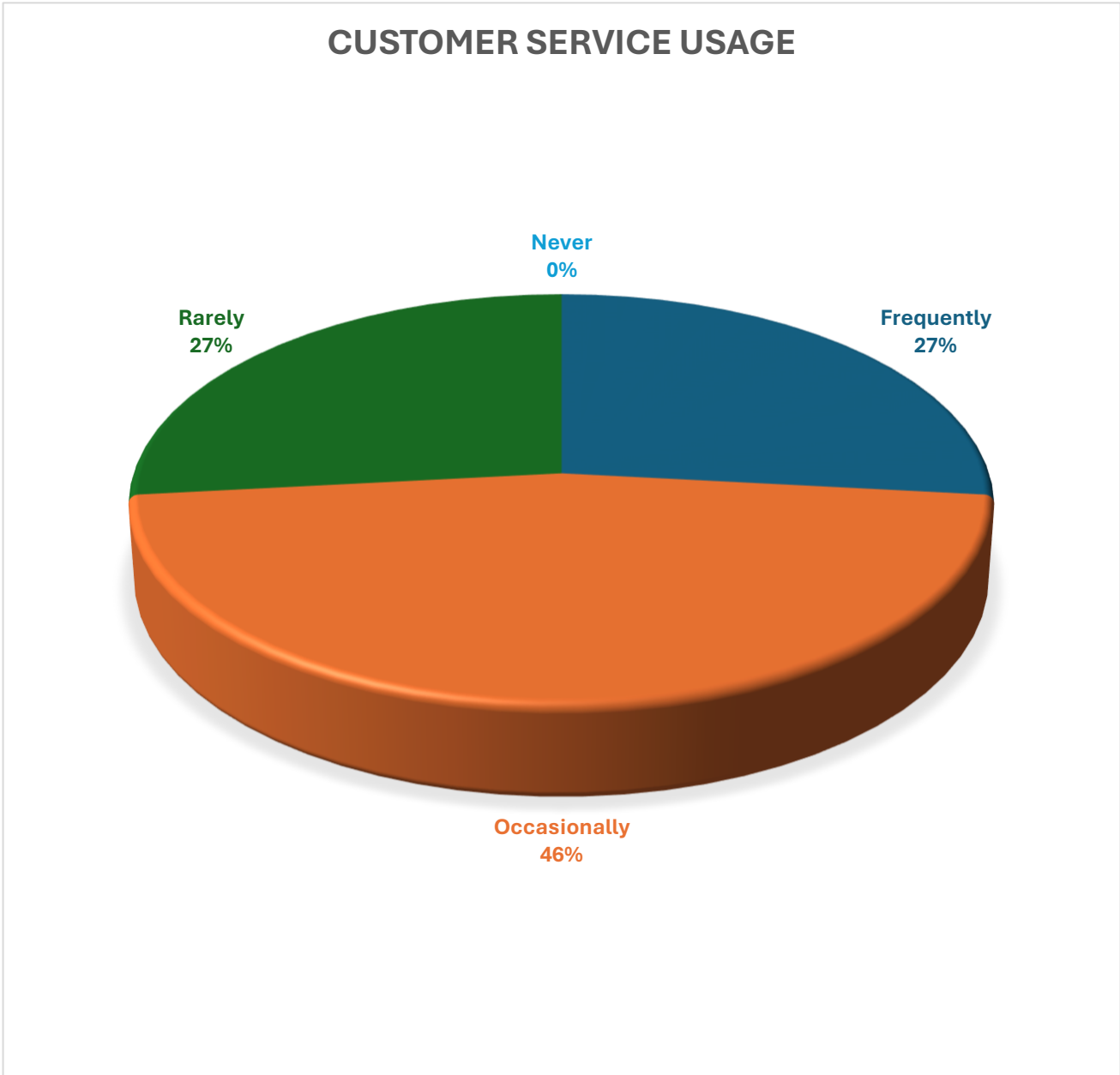27%

Frequently
27%

Occasionally
46%

Figure 11 – In figure 11 it shows how respondents value their customer service and 54% very importantly value their customer service and 25% says important and 21% says neutrally value their customer service.

VALUE OF CUSTOMER SERVICE

Not important
0%

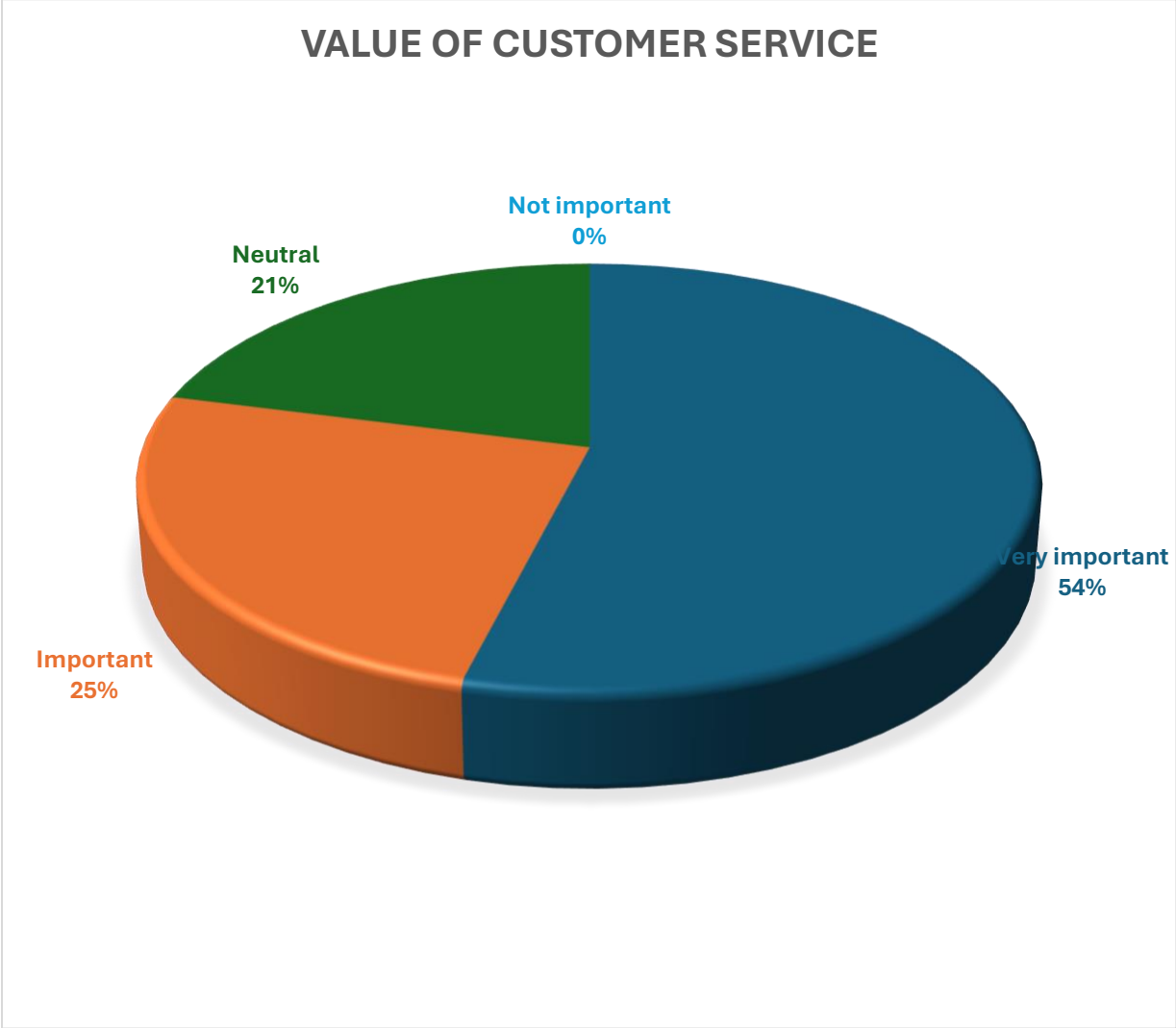Neutral
21%

Very important
54%

Important
25%

Figure 12 – In this figure 11 it shows the main factors influencing online purchasing and most of the respondents says selection of the products is the most influencing factor that is 40% and 32% says convenience and 16% says flexibility and only 12% respondents says it's the price.

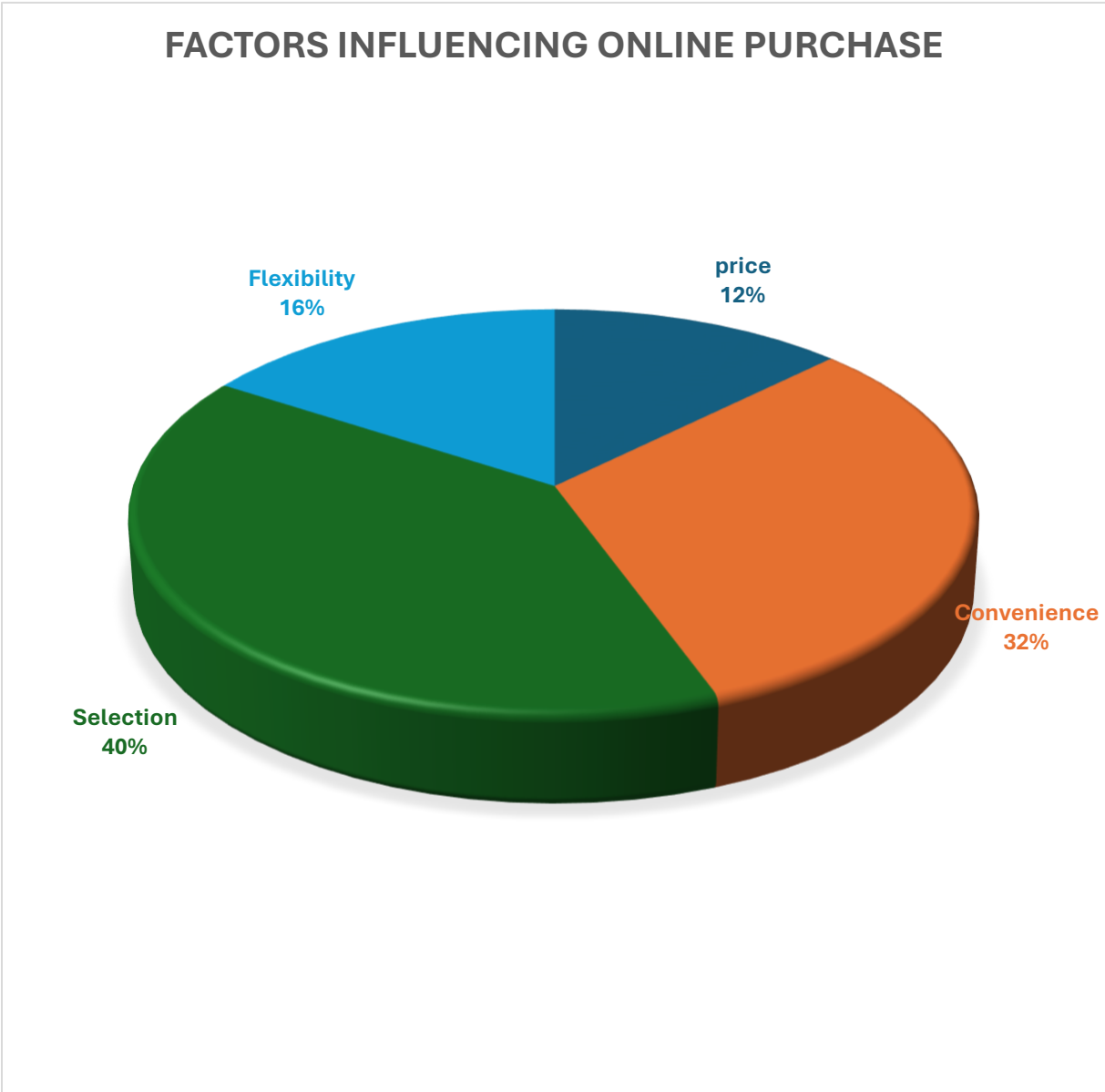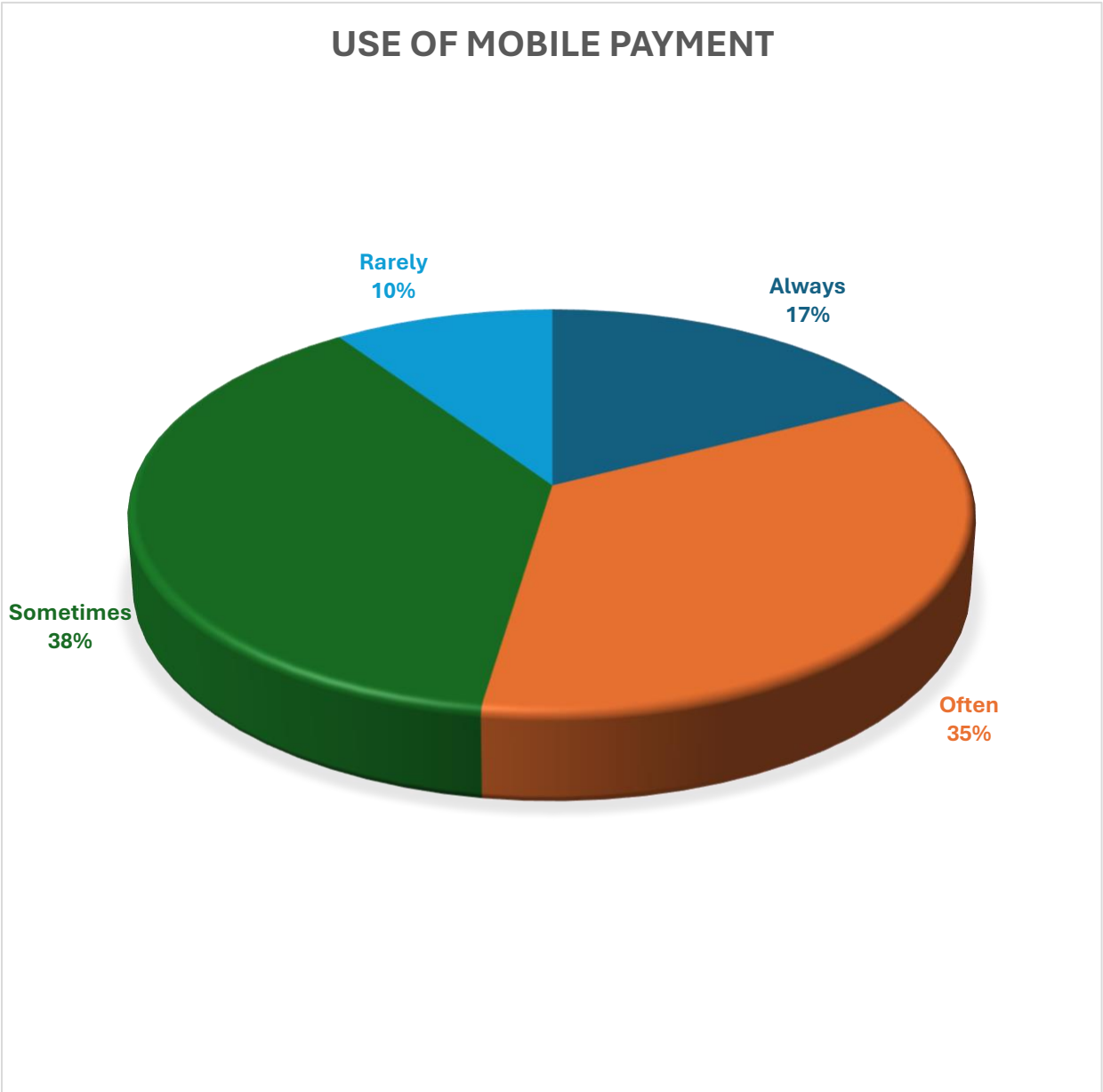**FACTORS INFLUENCING ONLINE PURCHASE**

Figure 13- In this figure it shows the usage of mobile payments when purchasing online and 38% says they sometimes use mobile payment and 35% says they often uses and 17% says they always and 10% says they rarely use mobile payment while they purchasing online.

USE OF MOBILE PAYMENT

CHAPTER 5

FINDINGS & CONCLUSION

FINDINGS

1) The study shows most of the respondents are males.77.8% respondents were males and 22.2% were females.

2) Most of the respondents is aged between 18 to 25 , 55.6% were aged between 18 to 25 and 34.9% is aged between 26 to 35 and 9.5% were aged between 36 to 45.

3) The study shows most of the respondents shop monthly on online platform. 49.2% shop monthly, 33.3% shop rarely and 14.3% shop weekly.

4) The study shows most of the respondents frequently research products online before they buy. 47.6% frequently research and 28.6% occasionally and 15.9% always research before they make a purchase.

5) The study shows most of the respondents importantly value their customer service that is 54.8%, and 21% neutral and 19.4% says very importantly value their customer service.

6) The study shows 61.9% people purchase electronic products and 33.3% is purchase clothing.

7) It shows that 44.4% respondents occasionally rely on social media for product recommendations and 27% very oftently and 20.6% rarely and 7.9% says they never rely on social media for product recommendations.

8) The study shows 47.6% people occasionally click on online advertisements, and 28.6% people rarely and 17.5% very oftently and 6.3% never clicks on online advertisements.

9) The study shows 50.8% of the respondents receives personal marketing messages.

10) One the major problem is 60.3% of the respondents experienced security breach or fraud and 39.7% says not.

11) The study shows that most of the respondents prefer online shopping compared to in store shopping.

12) The most used platform used for online shopping is Flipkart which is 52.4% and 23.8% respondents uses Amazon.

SUGGESTIONS

1. Offering more competitive prices can attract customers.

2. Online shopping sites should improve the security of online payments.

3. More attractive products can attract more customers.

4. Precautions should be taken to prevent duplicate deliveries.

5. Precautions should be taken to minimize damage.

CONCLUSION

The study on understanding consumer behavior in the digital marketplace has provided valuable insights into the patterns and preferences of online shoppers. The study indicates that a significant portion of consumers engage in online shopping on a monthly basis, with a strong tendency to research products before making a purchase. This behavior underscores the importance of accessible and comprehensive product information for e-commerce platforms.

Customer service emerged as a crucial factor in consumer satisfaction, emphasizing the need for businesses to invest in effective and responsive customer support systems. The preference for purchasing electronic products online highlights the trust and reliance consumers place on digital platforms for high-value items.

Social media plays a pivotal role in influencing purchase decisions, serving as a primary source for product recommendations. This finding suggests that businesses should enhance their social media presence and leverage influencer marketing to reach potential customers.

However, the study also revealed significant concerns regarding security breaches and fraud, which a majority of consumers have encountered while shopping online. Addressing these issues is critical for maintaining consumer trust and ensuring the sustained growth of the digital marketplace.

The dominance of platforms such as Flipkart and Amazon reflects their strong market position and consumer preference. For new entrants or smaller players, this indicates the necessity of differentiating their services and enhancing user experience to compete effectively .

In conclusion, the digital shopping landscape is shaped by informed and cautious consumers who value reliability, security, and customer service. Businesses must adapt to these expectations to succeed in the increasingly competitive e-commerce environment. Future research could further explore the impact of emerging technologies and changing consumer preferences to provide deeper insights into this dynamic field.

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APPENDIX

•Questionnaire:

1)
Name

2)
Email

3)
Age *

○ 18-25

○ 26-35

○ 36-45

○ 45 and above

4)
Gender *

○ Male

○ Female

○ Transgender

5)

Education qualification *

Your answer

6)

How often do you shop online? *

○ Daily

○ Weekly

○ Monthly

○ Rarely

○ Never

7)

How important is price in your purchasing decisions? *

○ Very important

○ Somewhat important

○ Neutral

○ Not very

○ Not important at all

8)

How often do you research products online before making a purchase? *

○ Always

○ Frequently

○ Occasionally

○ Rarely

○ Never

9)

How much do you value customer service when choosing where to shop?

- ○ Very important
- ○ Important Neutral
- ○ Not very important
- ○ Not important at all
- ○

10)

Do you tend to stick with one brand for certain products, or do you switch between brands frequently?

- ○ Yes
- ○ No
- ○ Maybe

11)

What types of products do you usually purchase online?

- ○ Electronics
- ○ Clothing
- ○ Groceries

12)

Which devices do you primarily use for online shopping?

- ○ Smartphone
- ○ Tablet
- ○ Computer

13)

How important are online reviews in your purchasing decisions?

○ Extremely important

○ Very important

○ Somewhat important

○ Not very important

○ Not important at all

14)

What factors influence your decision to shop online rather than in-store?

○ Price

○ Convenience

○ Selection

○ Flexibility

○ Safety and health

15)

How often do you rely on social media for product recommendations?

○ Very often

○ Occasionally

○ Rarely

○ Never

16)

Which social media platforms do you use most frequently for shopping-related activities?

○ Instagram

○ Facebook

○ YouTube

○ Twitter

17)

How influential are online advertisements in your purchasing decisions?

○ Not very influential

○ Very influential

○ Somewhat influential

○ Not influential at all

18)

Do you follow any influencers or brands on social media?

○ Yes, I follow influencers Yes,

○ I follow brands

○ Yes, I follow both influencers and brands

○ No, I don't follow any influencers or brands

19)

How often do you use price comparison websites before making a purchase?

○ Always

○ Often

○ Occasionally

○ Rarely

○ Never

20)

How often do you click on online advertisements?

○ Very often

○ Occasionally

○ Rarely

○ Never

21)

How important are discounts and promotional offers in your decision to purchase online?

○ Very important

○ Somewhat important

○ Not very important

○ Not important at all

22)

How often do you receive personalized marketing messages?

○ Very often

○ Occasionally

○ Rarely

○ Never

23)

Do you find personalized marketing messages helpful or intrusive?

○ Helpful

○ Intrusive

○ Neutral

24)

How concerned are you about the security of your personal information when shopping online?

○ Very concerned

○ Somewhat concerned

○ Not very concerned

○ Not concerned at all

25)

Have you ever experienced a security breach or fraud when shopping online?

○ Yes

○ No

26) What factors influence your trust in an online retailer?

○ Reputation and reviews Secure

○ payment options

○ Clear return and refund policies

○ User-friendly website interface

○ Personal recommendation from friends or family

○ Discounts and promotional offers

○ Others

27) How often do you use customer service?

○ Frequently

○ Occasionally

○ Rarely

○ Never

28) How important are product return policies in your decision to purchase online?

○ Very important

○ Somewhat important

○ Not very important

○ Not important at all

29)

How do you rate the overall convenience of online shopping compared to in-store shopping?

○ Much more convenient

○ Somewhat more convenient

○ Some what less convenient

○ Much less convenient

30)

How satisfied are you with the delivery times and options provided by online retailers?

○ Very satisfied

○ Satisfied

○ Neutral

○ Dissatisfied

○ Very dissatisfied

How often do you use mobile payment options when purchasing?

31)

○ Always

○ Often

○ Sometimes

○ Rarely

○ Never

32)
How likely are you to purchase from online marketplaces compared to individual retailer websites? *

○ Much more likely Some

○ what more likely About

○ the same Somewhat less

○ likely

○ Much less likely

33)
Which shopping platform you use for online shopping?

○ Amazon

○ Flipkart

○ Meesho

○ Myntra

○ Ebay

○ Jiomart