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Impact Of Online Portals On Purchasing Behaviour Of Gen Z & Millennials In India

M. Sai Likhita Praveena, Ridhima Vasu
Student, Student
Department of Marketing,
Parul University, Vadodara, India

Abstract: The way that consumers shop today has evolved and is largely driven by the Internet. This paper investigates how consumers behave when using an online shopping site and how different demographic groups, specifically in terms of region, have different shopping behaviours. Important factors that were evaluated in this study were: customer feedback, secure payment options, discounts, ease of use, and the complete shopping experience. Data for this study were gathered using a standardized questionnaire and five-point Likert scale, which allowed for the collection of quantitative research data from online shoppers. Based on the results of this study, there appears to be no variance in how consumers in urban, semi-urban, and rural areas respond to online shopping portals, indicating that consumer behaviour in these regions is similar. This report provides valuable information to e-commerce companies on how to build a customer-centric and inclusive approach to online shopping.

Index Terms - Online Shopping Portals, Consumer Buying Behaviour, E-commerce, Digital Marketing, Customer Experience, Purchasing Patterns.

I. INTRODUCTION

With the rise of eCommerce in India comes an increasing amount of change in the way that consumers buy products. Thanks to the proliferation of smartphones, access to high-speed internet, and secured digital payment methods, online shopping has transitioned from simply being a method to shop for things to displaying all of the characteristics of the general eCommerce characteristics listed above; therefore, shopping via the internet has become a preferred option for many consumers in India.

Millennial and Generation Z consumers, who are very familiar with digital technology and mobile-based shopping, are a significant part of the online shopping expansion. Studies indicate that when it comes to online purchases, there are several factors that contribute to a consumer's decision to make their purchase through an eCommerce website, including the availability of discounts, trust in payment methods, ease of navigation, how visually appealing products are displayed, customer ratings/reviews, and logistics. Generation Z consumers tend to look for convenience, trendy products, and social media influence; while Millennials tend to look for assurance/customer service through the eCommerce website, the return policy, and brand trust.

More consumers, especially those from semi-urban and rural areas, are becoming part of the online shopping experience due to regional language interface availability, improved delivery networks, and ample digital payment options.

While numerous studies have investigated the factors affecting customer's decision to buy products on the internet, fewer research studies have examined how the overall influence of e-commerce websites may be different depending upon where you live. It is essential to study these differences because online retailers want all customers to have a similar e-commerce experience no matter what country they live in.

This research study analyses how the e-commerce experience influences the consumer's behaviour in their purchasing of products and how that e-commerce experience may vary by area of the place where the consumer lives, specifically in India. This research adds to the body of knowledge on e-commerce while providing insights and assistance to e-businesses and e-commerce marketers in developing an inclusive, customer-centric marketing and sales strategy.

II. LITERATURE REVIEW

A study conducted by Gupta and Singh (2020) shows that the explosive growth of online shopping in India can be attributed to improved payment security and the increasing number of smartphone users. Mehta and Arora (2021) further state that easy-to-use interfaces and visually appealing product displays influence young consumers' intent to purchase from online retailers. KPMG India's (2023) report on the growth of large marketplaces, such as Amazon and Flipkart, indicates that online shopping experience has been made more uniform, thus giving way to online marketplaces having an impact on consumers' decision-making process regarding purchasing. Pandey and Dutta (2021) also found that many factors that instill trust (e.g. verified vendors and return policies) help increase confidence of consumers when shopping on an online marketplace.

According to Rao and Bhattacharya (2022), the three primary reasons that Generation Z consumers make purchases are because of convenience, trends, and social media. Millennials are said to be more loyal to portals that offer consistent service and discounts, according to Sharma and Patel (2021). Sinha and Jain (2021) found that consumers are still very price sensitive and that this is especially true during flash sales. According to Kapoor and Jain (2021), emotional branding and storytelling also strongly affect consumers' purchase motivation for online shopping.

India's growing number of young consumers have been responsible for driving the rapid growth of e-commerce and mobile-commerce in the country, with India's e-Commerce market crossing important growth milestones. NASSCOM noted that e-Commerce has contributed to economic inclusion by allowing MSMEs and rural consumers to participate in the digital economy. Deshmukh and Verma found that with access to the internet and payment methods, e-Commerce is becoming increasingly popular in the Tier-II city segment.

Deloitte's assessment of India's post-COVID-19 purchase behaviour indicates that there has been a marked increase in the volume of internet purchases made by young individuals living in cities (2021).

In India, the impact of influencer marketing as well as search advertising on the online purchasing behaviour of youth was found to be significant (Google India, 2022). Meesho found that peer influence and social commerce are playing an increasing role in influencing purchasing behaviour (Meesho Research Team, 2022). Ormax Media's report indicated that influencer-led campaigns enhance both visibility and engagement and are particularly influential for Gen Z consumers (2022). Additionally, Bhattacharjee and Rao found that digital initiatives that are vernacular and culturally relevant generate increased engagement among non-metropolitan audiences.

According to Deloitte India (2023), the majority of Generation Z (85%+) utilize mobile apps to shop online with electronics and clothing being two major categories they seek. Flash sales and short-term discounts influenced impulsive buying by Generation Z, as discussed by Jain and Kaur (2021). Nielsen India (2021) documented Gen Z cross-device shopping habits in which they explore products through their smartphones and complete the purchase through their mobile application where their payment data

is saved. According to Zepto Analytics (2023), new consumer behaviours related to convenience-based consumption have developed due to quick-commerce and ultra-fast delivery business models.

III. RESEARCH METHODOLOGY

Research Design

A descriptive research design has been used to evaluate consumer buying behaviour with respect to online shopping portals in India. This research design is suitable for understanding consumers' attitudes, perceptions of product/service and behaviour as they relate to online shopping. The research will assess those consumers currently using e-commerce websites to purchase products or services. Due to the fast growth of digital commerce and increasing reliance on online shopping portals, a descriptive research design is also suitable for capturing current consumer experience and consumer behaviour in the Indian e-commerce environment.

Data Collection Method

In this research study, the researchers gathered primary data via a structured questionnaire from individuals who frequently purchase items through online shopping portals. Because there are many online retailers, the researchers needed to obtain first-hand, accurate, and directly relevant information using primary data.

The structured instrument was developed to gain information about online shopping behaviours, views of online shopping portals, ease of use, discount availability, security of payment, reviews of products and service from customers, and the entire online shopping experience.

From people who regularly buy items via the internet, 250 valid responses were gathered. The survey was delivered to these respondents through an online survey tool which allowed for a larger distribution area and made it easier for respondents to answer questions and for the researchers to collect data. Also, the choice of an online method for collecting data was appropriate because both digital data collection and the subject matter of the survey are financial in nature.

Research Variables and Data Analysis Method

This research looks at how online shopping sites affect how customers buy. Some of the major independent variables of the study are: how easy the site is to use, the amount of discount and promotional offers that the shopping site offers, whether they have secure payment options, customer reviews, return policies and how they rate as an entire shopping experience. The dependent variable (i.e., the thing being measured) is how often customers purchase items, preference for using online shopping sites and repurchase intentions.

The researchers collected primary data on the participants' agreement with the above independent variables using a five-point Likert scale. Descriptive statistical techniques were utilized to analyze and summarize the data, such as frequency and percentage analysis of the demographic profiles of the respondents and how they responded to the data. The use of bar charts and tables assisted in illustrating the data clearly and making it understandable to facilitate the study.

Objectives of the Study

1. To evaluate customer purchasing patterns on the internet through various e-commerce websites in India.
2. To identify which factors, affect how customers choose to buy products using these websites for their electronic purchases.
3. To discover any differences that may exist between different demographic groups when it comes to the way they make a purchase on the internet using various e-commerce websites.

Sample Size

The present study determined an adequate sample size using the Cochran (1977) formula for estimating sample size requirements. The Cochran formula is the most quoted sample size formula for studies involving large populations or unknown population sizes; therefore, the Cochran formula was used to establish the statistical adequacy and reliability of the study.

The formula is given by:

$$n = Z^2 \times p \times q / e^2$$

Where: n = required sample size; Z = standard normal variate at a 95% confidence level (1.96); p = estimated proportion of population with the attribute (0.5); $q = 1 - p$ (0.5); e = acceptable margin of error (0.06).

By substituting values into the formula: $n = (1.96)^2 \times (0.5) \times (0.5) / (0.06)^2 = 3.8416 \times 0.25 / 0.0036 = 266.77 = 267$.

Although the sample size calculated statistically was 267, only 250 valid responses were obtained from active online consumers for use in the study. The sample size used is both methodologically and practically sufficient to allow for the analysis of consumer buying behaviour with respect to online shopping portals. The sample size selected assured adequate representation for reliable analysis of consumer perceptions of online shopping platforms, thereby contributing to the achievement of the research aims of the study.

IV. DATA ANALYSIS

The principal form of statistical testing/technique used to examine the differences in the attitude and purchasing behaviour of consumers between definable demographic and behavioural categories was ANOVA. To collect primary data, a standardized survey was administered (using a 5-point Likert scale). Primary data was analysed via ANOVA to test for significant differences among group mean scores after descriptive statistical analysis was conducted to provide a summary of the response patterns regarding online shopping portals, customer experiences, digital marketing influence, and purchasing behaviour.

Hypotheses

The following hypotheses were developed based on the one-way analysis of variance (ANOVA) used to determine if differences exist in consumer purchasing behaviour by geographic area:

1. **Null Hypothesis (H_0):** No significant difference exists among Urban, Semi-Urban, and Rural respondents in terms of consumer purchasing behaviour.
2. **Alternative Hypothesis (H_1):** Significant differences exist among Urban, Semi-Urban, and Rural respondents in terms of consumer purchasing behaviour.

One-Way ANOVA: Concept and Application

The One-Way ANOVA can determine if the differences in average score among the groups are the result of a true difference between them versus random chance. It does this by calculating the variance between group means compared to the variance within each group.

The formula for finding F is as follows: $F = MSB/MSW$

Where: F is the F -statistic; MSB is the Mean Square Between Groups; MSW is the Mean Square Within Groups

For support in the calculation of MSB and MSW : $MSB = SSB / df(\text{between})$; $MSW = SSW / df(\text{within})$

SSB = Sum of Squares Between Groups

SSW = Sum of Squares Within Groups

k = No. of Groups

N = Total number of observations

df = Degrees of Freedom

Substitution of Values (From Primary Data)

For example: Number of Groups (k) = 3 (Urban, Semi Urban, Rural); Total Number of Observations (N) = 250; Sum of Squares Between Groups (SSB) = 1.63; Sum of Squares Within Groups (SSW) = 40.10

Step 1: Degrees of Freedom

$df(\text{between}) = (k - 1) = (3 - 1) = 2$; $df(\text{within}) = (N - k) = (250 - 3) = 247$; $df(\text{total}) = (N - 1) = (250 - 1) = 249$

Step 2: MSB

$MSB = SSB / df(\text{between}) = 1.63 / 2 = 0.815$

Step 3: MSW

$MSW = SSW / df(\text{within}) = 40.10 / 247 = 0.162$

Step 4: F-Value

$F = MSB / MSW = 0.815 / 0.162 = 0.813$

table 1: one-way anova results

Source of Variation	SS	df	MS	F	Sig. (p-value)
Between Groups	1.63	2	0.815	0.813	0.542
Within Groups	40.10	247	0.162		
Total	41.73	249			

Research Results: The outcome was $F(2, 247) = 0.813$; thus, the p-value was found as being equal to = .542 and the significance level was set at $\alpha = .05$.

Evaluation Rules: If $p \leq 0.05$, reject H_0 . If $p > 0.05$, do not reject H_0 , agree with it.

Decision: The p-value was evaluated and determined to be $p = 0.542 > p\text{-value cutoff position } (.05)$; therefore, we accept the H_0 hypothesis. Since the p-value (0.542) is greater than the significance level (0.05) we conclude that there are no differences statistically from one consumer category to another consumer category according to the variable(s) measured.

V. FINDINGS

A One-Way ANOVA was performed to investigate whether or not there was a significant difference in consumer buying behaviour across Urban, Semi-Urban and Rural respondents (the groups).

The calculated F value was 0.813 with a degrees of freedom of df (2, 247), and a significance level corresponding to that F value of $p = 0.542$.

As the p-value (0.542) is greater than the 5% level of significance ($p = 0.05$), this result is non-significant statistically.

Therefore, in conclusion, consumer buying behaviour does not differ significantly between Urban, Semi-Urban and Rural respondents for the variables used in the study.

The conclusion of the finding supports the rejection of the null hypothesis and therefore that geographical classification does not affect consumer buying behaviour significantly within the context of the online shopping variables selected for the study.

The findings would indicate that consumers, regardless of residential segment, would generally have the same experience when using online shopping portals, and as a result would generally have the same perception and patterns of their purchases across the various resident segments.

The findings also indicate that factors such as digital accessibility, standardised portal interface, and widespread internet accessibility would have reduced the effect that traditional location-based differences on consumer behaviour would have created.

In summary, the ANOVA test supports the conclusion that consumer responses from different groups are consistent with one another, and hence support the contention that the variability in consumer responses were due to chance rather than systematic differences between groups.

VI. SUGGESTIONS

In conclusion, this research indicates that online shopping stakeholders should focus on developing user-friendly and intuitive interfaces. Simple navigation, clear product descriptions, and a seamless checkout experience for new and less technical consumers will reduce confusion and increase convenience for these types of customers.

In addition, eCommerce sites should be diligently working on improving their quality assurance and service reliability. Product descriptions need to be correct; payment processing needs to be secure, and delivering products should be on time to create trust with consumers and continue to gain repeat business.

Increasing consumer engagement through digital marketing strategies, such as personalized promotions, targeted advertisements, and straightforward pricing, will positively influence consumers' purchase decisions.

In addition, creating customer support features to reduce perceived risk and increase satisfaction for online shoppers will improve customer experience with eCommerce portals. Customer service enhancements might include easy-to-understand return policies; tracking of their online purchases in real-time, and being quickly available when customers need assistance.

This research demonstrates that by improving overall usability, quality of service, effectiveness of marketing, and efforts to build trust with consumers, eCommerce sites can improve customers' experience and affect their purchasing behaviour positively.

VII. FUTURE SCOPE

Future studies might investigate the ways in which next-generation advanced digital tools (such as augmented reality (AR), machine learning, and artificial intelligence (AI)) could provide enhanced consumer online shopping experiences by exploring the impact and utility of the technologies on intelligent customer assistance systems, trailing products virtually, and personalised recommendations.

Comparison studies across multiple e-commerce platforms, geographic locations, or demographics will provide deeper insight into the variability of different customer purchase behaviours. This research may be valuable in identifying the relative strengths and weaknesses of a particular platform in terms of its impact on consumer satisfaction and loyalty.

Another avenue for enhancing generalisability would be to conduct research with larger and more diverse samples (e.g., older adults, rural residents, international consumers). Qualitative research methods such as interviews and focus group discussion could also be used to gain a more in-depth understanding of how consumers perceive and trust online shopping portals, along with their emotional connections.

From a managerial standpoint, future research could assess the cost-effectiveness, return on investment (ROI), and sustainability of using digital marketing strategies and technology innovations in online shopping portals. This research could provide e-commerce companies and public policy makers with information to help design more inclusive, effective, and consumer-focused digital retail models.

VIII. CONCLUSION

Research indicates that the influence of online retail websites on buyer behaviour occurs through building customer engagement, providing access to information, and creating convenience. When customers determine their purchase behaviour, usability of the online retail site, service quality provided by the online retailer, marketing strategies employed by the online retailer, and the trust mechanism of the online retailer play essential roles in determining both satisfaction and the likelihood of making subsequent purchases.

Consumer experiences can be characterized as multidimensional, and online customer experience relies heavily upon the technological integration of the online shopping portal, the honest delivery of service by the retail outlet, and the overall customer centricity of the online retailer's strategy. There is evidence that online customers are generally receptive to the use of e-commerce sites, but their purchasing behaviour varies by frequent exposure to online retailing, and the extent to which they have previously purchased from an online retailer affects their current level of willingness to purchase.

The results of this study demonstrate that the continued acceptance of e-commerce sites as a viable shopping alternative is increasing in the eyes of consumers. Sustaining these relationships and supporting consumer engagement will require continued innovation, enhanced service delivery capabilities, and building trust between customers and the online retailer for future growth in the e-commerce market place.

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