

The Effect of Technology on Consumer Behaviour with Reference to Internet and Mobile Technology

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ABSTRACT

Today everyone is busy in the world of gadgets; from a young child to the elderly, everyone has at least one gadget with her/him. Technology has taken giant strides in the last ten years and consumers have also kept pace with it. This study is intended to see the difference technology has made on the psyche of the people. The attributes that were once given importance are no longer on the list and they have been replaced by others which were not even present a few years back.

To understand why the people choose a particular thing over the other is a question they may not be able to answer themselves completely, hence it is required to study the same, see the pattern and then make conclusions. This would assist them in their purchase, which when will be fruitful, shall lead to satisfaction and a repeat purchase.

The study has been divided into three parts: the effect of the internet, mobile technology's impact and consumer behaviour related to other sectors.

The study is concluded with a consumer behaviour model, related to technology based on certain key factors identified during the course of this study.

Keywords: *Consumer Behaviour, Internet, Mobile, Technology*

INTRODUCTION

In 2016, the increase in world's population was 1.13% but the increase in internet users was been 3.2%, that is, more than 40% of the world's population uses the internet now. Among the top 20 internet using countries India has the highest growth rate with the penetration of internet being 34.8%. China, India, and Indonesia lead the way and will account for almost half of the gains in access globally over the course of the next five years. The combination of lower-cost devices and inexpensive wireless networks are making accessibility easier in countries with populations that could not previously afford them. Consumer behaviour has been present in various forms since the first barter would have been made

a long time back, in the early stages of evolution. There are a variety of factors that influence the way people purchase consumer products and services. They range from psychological to age to income power. However one factor that has affected all consumer behaviour uniformly over the centuries is technological progress.

The industrial revolution was another turning point in the consumer behaviour story as mass-production became the norm. The use of electricity further brought in new products and demands from consumers increased.

As forms of communication developed further with the invention of the telegraph and the telephone, information was no longer restricted location-wise. Television further revolutionised the way people thought about purchasing. The power of information seemed to have reached its peak.

Then, in another giant leap for mankind came the technology of the internet. Bringing information at people's fingertips, the consumer was never as empowered as before. Online shopping also reduced the

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need for people to get out of their homes to purchase anything.

This information revolution was further enhanced with the use of mobile internet. Consumers could access any information, anywhere and make purchases on-the-go.

REVIEW OF LITERATURE/FINDINGS

Mobile shopping: The advantage Mobile has over internet is that Consumer more interactive even if feature doesn't concern him. With the invent of GPS-Impulse Buying has increased. Precisely embodying mobile marketing messages and campaigns according to consumer entertainment and information requirements will even make it more likeable.

An empirical study was conducted on driving consumer acceptance of mobile marketing. They have talked about hooking on consumers by the high level of relevant data they can get via mobile marketing right down to creating impulse buying decisions by the use of GPS. There are a lot of determinants however, that need to be addressed such as knowledge of mobile technology, comfort etc.¹

In the domain of Mobile Commerce it has observed that stronger associations are built when they are customised as per the customer. This also makes it easy to relocate on memory recall. This in turn can help sellers recommend these and similar products based on his assessment even before the experience.

It has been talked about how companies have inducted mobile practices in their marketing strategies. In the era of increased usage of mobile phones, it is important for companies to enter this field to keep up. It allows for better analytics and focused marketing.²

Studied have been done on how mobiles will change the way we spend. The author has mapped Maslow's hierarchy of needs to consumer spending vis-à-vis mobile phones. Platforms should be modular to cater to ever increasing add-ons. The comfort consumers are developing with technology has helped mobile shopping to penetrate new product lines.³

Using the inherent advantages of mobile technology, it has been suggested that location based services be used to grab market share. Smart phones are the most popular devices for watching video ads and hence, should be targeted with rich media ads.⁴

Online shopping on the internet: The authors have talked about Consumer characteristics and their effect on accepting online shopping, in the context of different product types. They started out with the assumption that consumers would mostly consider personal comfort, security and self-efficacy before making an online purchase but their study eventually showed that product types along with cost and period of product usage played a major part in the online shopping decision.⁵

In their study on online advertising and impact on consumer behaviour the researchers found that word of mouth (online or otherwise) played a big part in influencing customers about a product or online shopping service. Customers were also annoyed with unrelated advertisements popping up and this shows the importance of analytics in making sure the target customers are approached with precision.⁶

A survey on the Effect of consumer lifestyles on purchasing behaviour wrt internet shopping in Japan was done. They started out with the assumption that Product category risk and financial risk are factors. Consumer lifestyles that affect online shopping behaviour are net-centric, innovative, and price-oriented. The results showed that online retail was widely practiced among respondents due to lifestyle compatibility. It also finds favour among price-oriented customers.⁷

A survey was conducted on Consumer behaviour in online shopping. They first identified Price, trust and convenience as key factors and High spenders, price easers and bargain seekers as major consumer attitudes. The results showed that Price was a major factor and also second factor among 'high spenders' category. First for high spenders is trust. Strategies for respondents suggested include discounts, transparency and speed of transactions.⁸

The author did a study on Internet Shopping And Its Impact On Consumer Behaviour. The methods he used were Quantitative evidence gathering describing the actuality of internet shopping in the UK and China, future development was also measured. Finally the end-to-end process and customer perception were studied. It was determined that Information search is a very important factor in choosing product and online retailer. Payment security is also a major factor. Safety and product data thus play a very important role.⁹

The researchers have attempted to predict online customer behaviour. They said that online consumer behaviour models are introduced to understand and predict the wide range of decisions that consumers make based on the background of customer profile factors, online shop profile factors, and other intervening factors. Payment logistics is an important factor.¹⁰

Analysis was done on the effects of the internet, recommendation quality and decision strategies on consumer choice. A large number of consumers still use the internet as just a search tool and make purchases in brick and mortar stores. He talks about how to overcome problems with new internet users.¹¹

The study was conducted primarily based on a survey of respondents from Lucknow. Online advertising was considered informative but caused a high degree of irritation among consumers.¹²

Other sectors: The duo have talked about the effectiveness of advertising on consumer behaviour and how it can be shaped depending on the level of interactivity with the consumers to make them feel more involved. Technology plays a large role here to enable this two-way communication.¹³

The author has talked about how today customers want speed, independence and economy of resources. This has brought to notice how technology has made customers increase their demands as the realm of possibility due to technology has expanded.¹⁴

The technology adoption model proposes that an increase in perceived usefulness leads to a greater intention to use. The influence of e-CRM has been analyzed. Data was also collected from internet users in Malaysia to arrive at findings.¹⁵

Complete product info with category education is required for a confident buying decision from consumers is one of their results. Developing a multi-channel framework is an important part of marketing nowadays.¹⁶

The author has discussed significant shifts in consumer behaviour from the financial institutions point of view. He has talked about how customers nowadays expect comprehensive financial services from a single point of contact instead of distributing their attention. Trust of internet-based banking remains a major problem with the older generation.¹⁷

Researcher has discussed the role of external influences and how they impact decision making. Factors are classified into psychological, emotional and cognitive which helps to define target customers and take appropriate actions to convert them. The tension of unfulfilled needs leads to buying decision so it is up to marketers to create this tension by leveraging technology.¹⁸

Analysis was done of the new consumer buying behaviour during the economic crisis. They understood how consumers have started looking at features or logical replacements for products and brand power has taken a hit. Technology can help analyse what features consumers are looking for and design products and market them keeping those in mind.¹⁹ Relationship marketing and the research required for it can be more effectively done using customer touchpoints on the internet to get interactive data.²⁰

Facebook communities have a much higher impact on decision making than Twitter communities. There should be synergy between different internet platforms of a company.²¹

Quick turnaround times and customer experience across channels were identified as some important factors for today's consumers. The inter-relation with the external environment and retail purchase decisions was studied.²²

The firm has analyzed the opportunities for three factors-social, local and mobile to improve customer experience. The advantages of each platform have to be utilized with appropriate marketing strategies. A three step process for utilizing loyal customers has been proposed.²³

Deloitte has come out with a paper on the store of the future, talking about the role of a brick and mortar store in a multi-channel environment. The synergy required with other channels has been dwelt upon. They have also provided working propositions for store redesign.

DISCUSSION

Consumers have been greatly impacted by the advent of technology in the internet and mobile space. Buying decisions have speeded up because of the easy availability of information and marketers have lost the

advantage of location proximity. Consumers also expect prompt and personalized service from various product line organizations and not the traditional personalized service from lines like the banking industry.

Each channel of communication now requires a different strategy utilizing its inherent advantages. Integration and synergy are the buzzwords for multi-channel marketing.

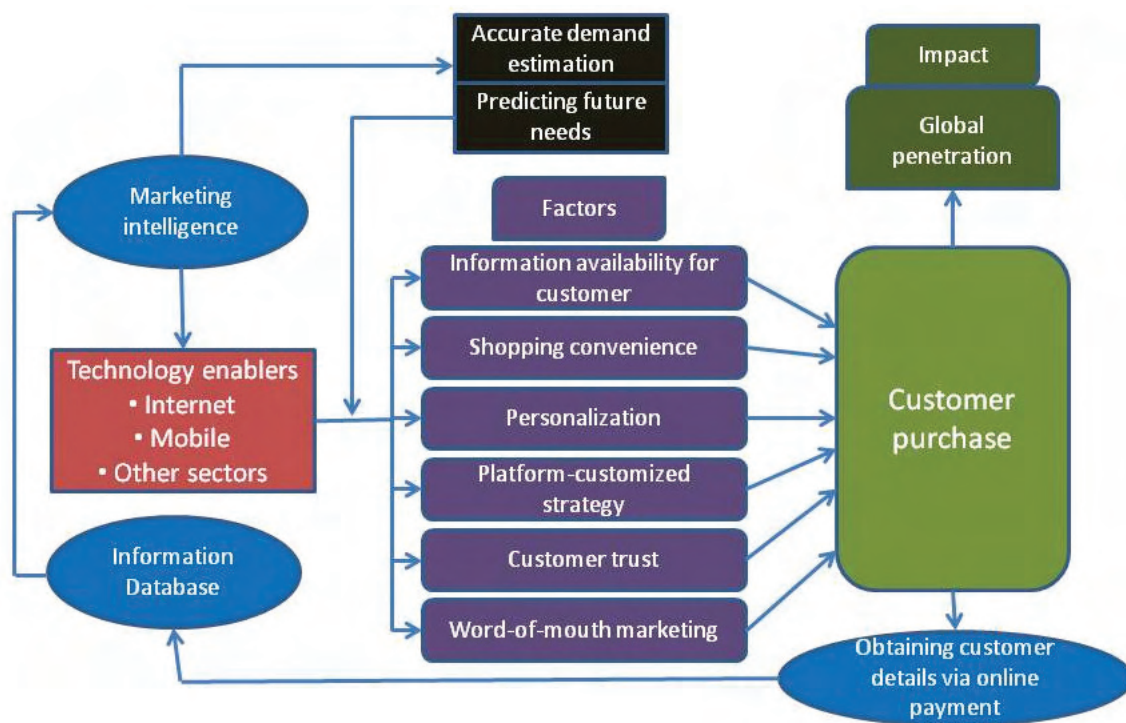
Consumer trust is a retarding factor for online sales as people develop comfort with the internet. This is a factor that needs to be addressed by marketers to be the first ones off the block in terms of bulk sales. Repeat

purchases develop that trust, bring in loyalty and the nature of the internet allows consumers to be proxy-marketers for various organizations.

Avenues should be provided for consumers to broadcast their satisfaction with a particular product or service. The power of word-of-mouth marketing has necessitated attention to this emerging channel of communication.²⁵

Convenience for shopping is another important factor that drives customers towards online shopping. Not having to travel long distances and save on time are some advantages they derive.

THE MODEL



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The above model based on TAM- Technology Acceptance Model, consists of findings from the review, identification of certain consumer behaviour-determining factors impacted by technology and how they lead to customer purchase and better offerings from marketers.

This purchase immediately leads to information to be used by marketers via customer details obtained.

This information database leads to better market intelligence which in turn helps marketers to make an accurate demand estimation and predict future trends in terms of product offerings.

The offering from the firm is then suitably customized to enable re-purchase and more market penetration.

FUTURE SCOPE/CONCLUSION

The factors in this model can be tested to verify their validity. It would be effective if a primary survey was done with a questionnaire covering these factors and study how the influence of these factors varies across demographics, geographies and other external factors.

These factors would vary in terms of the weightages given to them depending on the product type. For example, a low involvement product would give more importance to shopping convenience.

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