# Consumer Trends in Internet Shopping: Examining Payment Methods, Frequency of Purchases, Spending Patterns, And Influences

Rashmi M, Research Scholar (Commerce) The Glocal University Saharanpur, Uttar Pradesh
Dr. Richa Bansal (Associate Professor) Research Supervisor, Glocal School of Business and Commerce, The Glocal University, Saharanpur, Uttar Pradesh

## Abstract

The study examines online shopping behaviors among 300 respondents using a structured questionnaire. It found that credit cards are the most popular payment method, followed by debit cards (18%), net banking (15.7%), and digital wallets or UPI (12%). Despite the rise of digital payments, 14% still prefer cash on delivery. The frequency of online shopping is high, with 55.7% shopping twice or thrice a month. The primary purpose for online shopping is actual purchases (55%), with 23.7%) and finding promotional deals (11.7%) playing significant roles. Monthly expenditure varies, with 41% spending between Rs.501 and Rs.15,000 and 32% between Rs.15,001 and Rs.25,000. Family, friends, and social media are the main sources of influence on shopping decisions. The study underscores the importance of understanding diverse consumer needs and preferences for businesses to improve marketing strategies and customer satisfaction.

**Keywords: Online Shopping, Payment Methods, Consumer Behavior, Frequency of Shopping, Monthly Expenditure.**

## 1. INTRODUCTION

The rapid speed with which e-commerce has developed and changed customer purchasing habits, it is critical to comprehend the fundamental patterns that influence online purchases. Customers' interactions with digital platforms provide important insights into their preferences and habits as these platforms become more and more interwoven into everyday life. The objective of this research is to provide a thorough examination of all aspects of internet buying, including payment options, frequency of transactions, spending trends, and the factors influencing customer choices.

The range of digital payment methods that customers may choose from nowadays is one of the main topics that is investigated. According to the study, a considerable amount of online buyers choose credit cards because of their better security features, cashback incentives, and rewards programs. The inclination towards credit cards is indicative of a wider pattern of growing customer confidence in online purchases. On the other hand, debit cards also play a significant role. They provide the ease of direct bank transactions and financial management, which appeals to those who are concerned about accruing debt.

The survey also looks at how often customers buy online, and it finds clear trends in the frequency of their online purchases. A considerable proportion of the sample population shops on the internet many times a month, suggesting a high propensity for regular online transactions. This conduct points to a change in consumer behavior toward more regular and habitual e-commerce platform participation, motivated by the convenience and variety they provide. A smaller but significant portion of customers, on the other hand, purchase less often, demonstrating the variation in consumer behavior when it comes to online shopping.

Another important factor examined in this research is the amount of money spent each month on internet shopping. The data shows a diverse array of spending patterns, with a notable proportion of customers occupying moderate to high expenditure categories. The disparity in purchasing patterns across customers highlights their diverse financial capabilities and objectives. Businesses that want to successfully target distinct market groups must comprehend these spending habits since they provide opportunities for customized marketing techniques that appeal to both high and moderate spenders.

Additionally, the sources of impact on purchasing decisions are examined, providing insight into the elements influencing customer decisions. The significance of interpersonal ties in influencing buying habits is shown by the prominence of family and friends as influential

figures. Furthermore, social media's increasing power emphasizes how important digital channels are in influencing consumer choices, even while conventional ads continue to have an effect on consumers' selections. These findings, which highlight the need of efficiently using personal networks and digital platforms, are vital for organizations to consider when designing their marketing strategy.

The overall goal of this research is to provide a comprehensive understanding of the modern e-commerce ecosystem by illuminating the interrelated features of online buying habits. Through the analysis of payment methods, frequency of purchases, spending trends, and relevant variables, the research provides insightful information that may assist researchers, companies, and marketers in comprehending and navigating the intricacies of customer behavior in the digital era. This thorough comprehension is essential for creating strategies that improve consumer happiness and spur development in the fiercely competitive online retail industry.

## 2. LITERATURE REVIEW

**Ludicke (2017)** In "Consumer Perception of Item Dangers and Benefits," the authors provide a thorough conceptual and methodological standard for the area of consumer research along with other relevant aspects. The explanation of the present trend and research on consumers' perceptions of the advantages and risks of the product that affects their behavior have been given to the readers. The book offers explanations on consumer brain science, risk perception, and marketing research from an interdisciplinary standpoint. This book provides a plethora of information on consumer goods rules and research procedures. Within their compilation of works, the authors of this book provide a synopsis of customer perspective. Additionally, this book helps to clarify the idea of how consumers perceive the risks and benefits connected to each product.

**Debbarma, Sonnet, Nandi, Gypsy (2014)** conducted research with the specific goal of identifying the factors propelling the growth of e-commerce as well as the challenges facing Indian e-commerce companies. The impressive growth of e-commerce in India may be attributed to a variety of factors, including the increase in the population using internet services, the rise in the number of individuals with advanced degrees, the expansion of the economy, and changes in lifestyle.

**Butt et al (2016)** Using store network management practices, the importance of the Technology adoption Model was examined in the context of consumers' adoption of online shopping in a developing nation. The authors of Hat conducted a thorough analysis of the body of literature to look at the factors that affect consumers' perceptions of online purchasing services, except the two fundamental Hat criteria of perceived usefulness and perceived ease of use. Through the development of hypotheses on the link between the discovered characteristics and the PEOU and PU of Cap, they aimed to establish a conceptual framework via this process. Other factors that were found were the website's character, customer service, the attitude and trust of the client, the consumer's purpose to make an online purchase, and the enjoyment of online shopping.

**Syed Shah Alam and Norjaya Mohd. Yasin (2010)** They were able to determine four crucial factors that were crucial in determining the degree of consumer satisfaction with online purchases via their study with Malaysian students. Review of prior research on the topic indicates that the study undertaken in developed vs developing nations is fundamentally different when it comes to consumer satisfaction in online purchasing. Measuring the degree of customer satisfaction and identifying the many factors that affect it is crucial to evaluate the performance and identify any areas that could need further development in online shopping.

**Seung and Framarz (2014)** To ascertain the degree of perceived risk in business-to-consumer (B2C) e-commerce, research was conducted. The study's findings showed that almost one-third of those surveyed thought that B2C internet transactions included some risk. Additionally, the majority of respondents acknowledged that they had hardly ever made a purchase from a website they had never used before.

## 3. RESEARCH METHODOLOGY

The objective of this study is to investigate and evaluate customer purchasing behaviors, payment methods, frequency of shopping, reasons for shopping online, monthly spending on online shopping, and sources of influence. Businesses may use the study's insights into customer behavior to create more successful marketing campaigns and enhance internal processes.

### 3.1. Research Design

This study uses a descriptive research approach to examine consumer buying habits statistically. A structured questionnaire is given to a sample of 300 respondents in order to gather data. Aspects of online buying behavior covered by the questionnaire include frequency, purpose, payment methods, spending, and sources of influence.

### 3.2. Sampling

Convenience sampling is used to choose a sample of 300 respondents. This approach was selected because it is doable and accessible to everybody involved. It is believed that the sample size is sufficient to provide a trustworthy depiction of the purchasing habits of the target audience.

### 3.3. Data Collection

A structured questionnaire is used in an online survey to gather data. Likert scale, multiple-choice, and demographic items are all included in the questionnaire. Email and social media channels are used to disseminate the poll in order to guarantee a varied sample of responders.

### 3.4. Data Analysis

Descriptive statistics are used to examine the data that were obtained. To summarize the data, percentages and frequency distributions are computed for each variable. Statistical software is used for the analysis in order to guarantee correctness and dependability.

## 4. DATA ANALYSIS

### 4.1. Shopping Patterns

**Table 1: Mode of Payment**

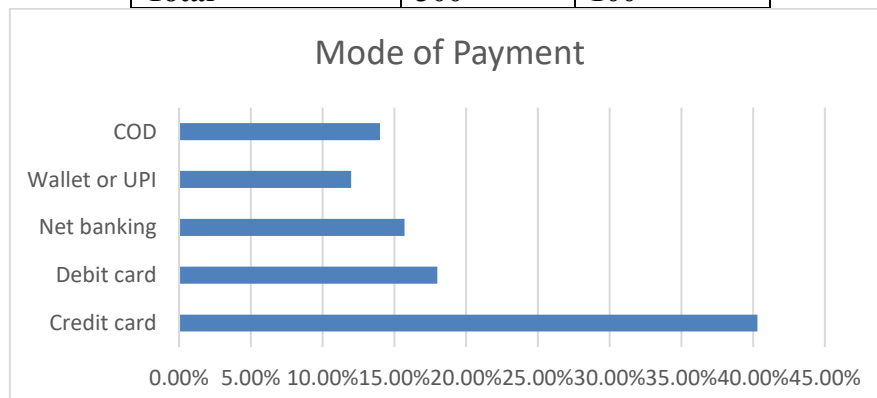| Mode of Payment | Frequency | Percent (%) |
|---|---|---|
| Credit card | 121 | 40.3 |
| Debit card | 54 | 18.0 |
| Net banking | 47 | 15.7 |
| Wallet or UPI | 36 | 12.0 |
| COD | 42 | 14.0 |
| **Total** | **300** | **100** |



**Figure 1: Mode of Payment**

The distribution of payment methods used by respondents when they purchase online is shown in Table 1. As the most preferred mode of payment, credit cards are selected by 40.3% of respondents (121 people). This choice highlights the general confidence that people have in credit cards, perhaps because of their benefits, cashback programs, and improved security measures. With 18% (54 respondents) using debit cards, they are the second most popular option, indicating a preference for direct bank transactions and the control they provide over

spending. 15.7% of respondents (47 people) chose net banking, demonstrating a consistent reliance on conventional banking techniques for safe online transactions. Of the 36 respondents, 12% utilize wallets or UPI platforms, indicating the increasing ubiquity of digital payment solutions that are renowned for their speed and ease of use. 14% (42 respondents) still prefer cash on delivery (COD) despite the growing trend toward digital payments. This indicates a market segment of customers who are still wary of online purchases and appreciate the ability to check items before paying for them. In summary, the data indicates a discernible trend towards digital payment methods that nonetheless cater to conventional tastes, therefore reflecting the varied demands and comfort levels of consumers who purchase online.

### Table 2: Frequency of Online Shopping

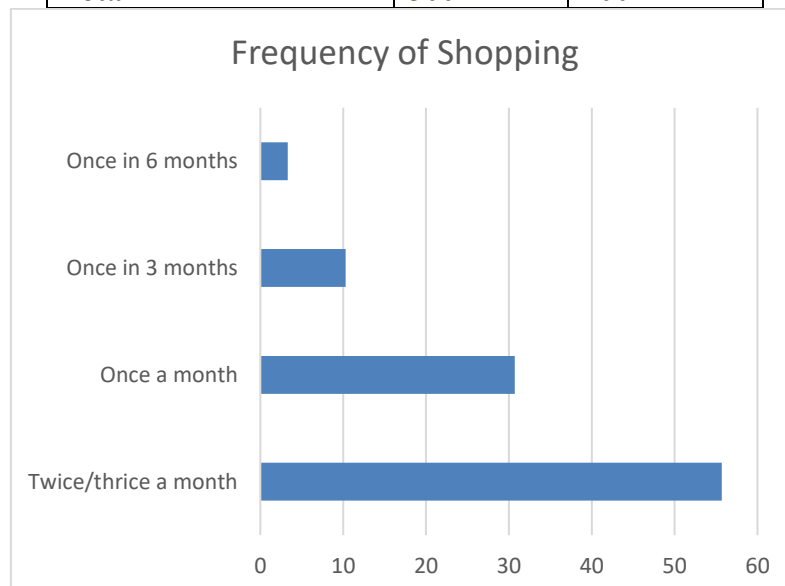| Frequency of Shopping | Frequency | Percent (%) |
|---|---|---|
| Twice/thrice a month | 167 | 55.7 |
| Once a month | 92 | 30.7 |
| Once in 3 months | 31 | 10.3 |
| Once in 6 months | 10 | 3.3 |
| **Total** | **300** | **100** |



**Figure 2: Frequency of Online Shopping**

Interesting patterns may be seen in the data on the frequency of shopping among a sample of 300 respondents. 55.7% of the respondents, or 167 people, shop twice or three times a month, which suggests that they have a somewhat regular shopping habit. After then, 30.7% (92 people) shop once a month, indicating that a sizable segment of the sample shops on a regular basis. Conversely, smaller groups show less frequent purchasing patterns: 10.3% (31 people) shop once every three months, and just 3.3% (10 people) shop once every six months. Overall, the data shows that the majority of respondents shop often, with those who shop at least once a month showing the largest concentrations. This suggests that companies might gain from concentrating their marketing efforts on these loyal customers, who make up the bulk of the clientele.

### Table 3: Purpose of shopping online

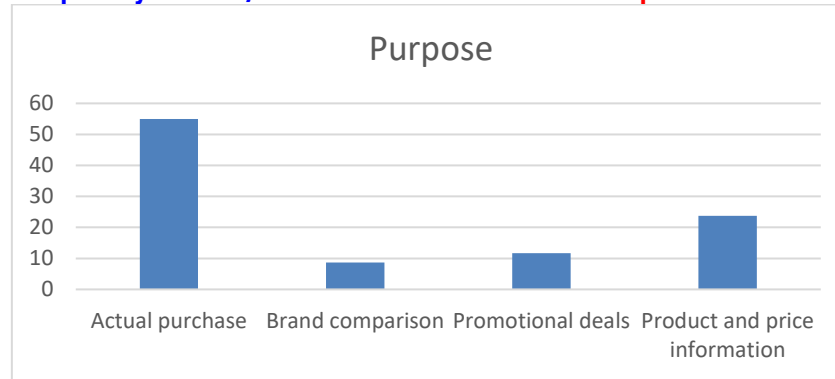| Purpose | Frequency | Percent (%) |
|---|---|---|
| Actual purchase | 165 | 55.0 |
| Brand comparison | 26 | 8.7 |
| Promotional deals | 35 | 11.7 |
| Product and price information | 71 | 23.7 |
| **Total** | **300** | **100** |

**Figure 3: Purpose of shopping online**

A sample of 300 respondents' main motivations for online buying are shown in Table 3. More than half of the respondents utilize online platforms mainly for product purchases, as seen by the overwhelming majority of 55.0% (165 persons) who shop online for real purchases. Researching products and prices is the second most popular reason for online shoppers (23.7%, or 71 people), as opposed to making a quick purchase. This is followed by 11.7% of respondents (35 people) who purchase online in search of promotions, underscoring the significance of discounts and exclusive offers in drawing clients. Finally, 8.7% of respondents (26 people) purchase online in order to compare brands, indicating a smaller but significant portion of the population that values doing this research before making a choice. In general, the research indicates that real purchases are the main reason people buy online, although a sizable percentage of users also use these sites to look for deals and get information. This suggests that in order to meet the various expectations of online buyers, firms should guarantee a flawless shopping experience in addition to offering thorough product information and attractive discounts.

### 4.2. Monthly Expenditure on Online Shopping

**Table 4:** Monthly Expenditure

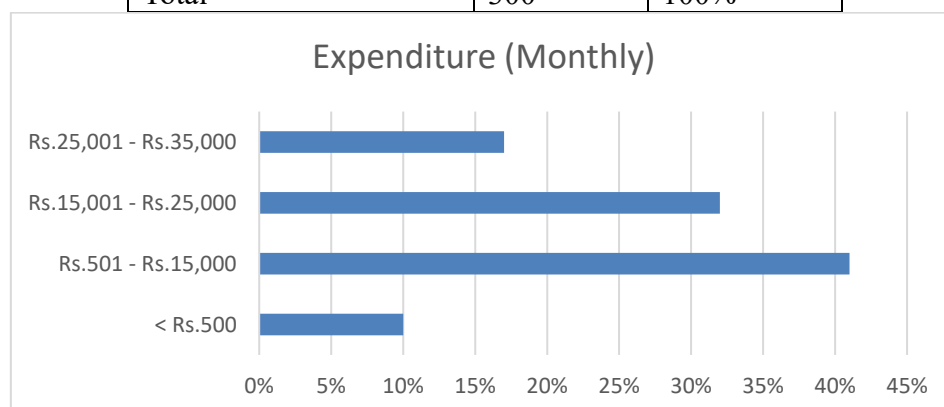| Expenditure (Monthly) | Frequency | Percent (%) |
|---|---|---|
| < Rs.500 | 30 | 10% |
| Rs.501 - Rs.15,000 | 123 | 41% |
| Rs.15,001 - Rs.25,000 | 96 | 32% |
| Rs.25,001 - Rs.35,000 | 51 | 17% |
| Total | 300 | 100% |



**Figure 4:** Monthly Expenditure

A sample of 300 respondents' monthly expenses is shown in Table 4. According to the statistics, the majority of the sample, or 41% (123 persons), had monthly expenses between Rs. 501 and Rs. 15,000, which is a modest spending level. Subsequently, 32% (96 people) provide a greater monthly expenditure between Rs. 15,001 and Rs. 25,000, indicating that over one-third of the respondents fall into this category. Furthermore, 17% (51 people) spend between Rs. 25,001 and Rs. 35,000 each month, indicating a sizeable portion of heavy spenders. 10% (30 people), on the other hand, spend less than Rs. 500 a month, which makes up the lowest spending

category. All things considered, the data points to a wide range of monthly spending, with most respondents falling into the moderate to high spending bracket. This distribution shows prospective market prospects for companies that target different spending levels, especially those who serve customers with moderate to higher spending levels.

**Table 5:** Sources of Influence

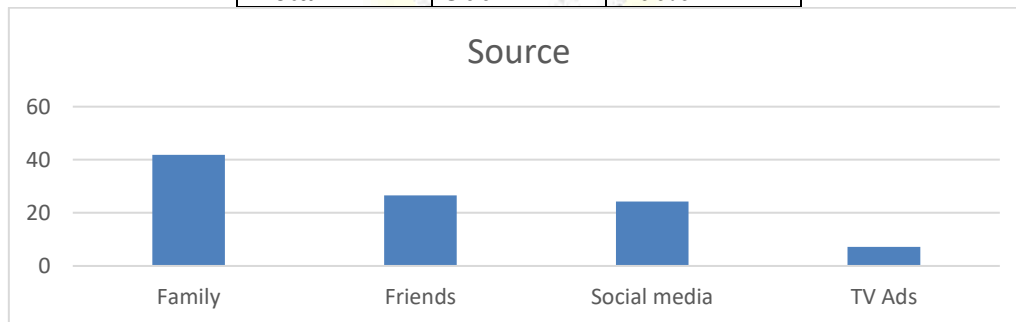| Source | Frequency | Percent (%) |
|---|---|---|
| Family | 126 | 41.9 |
| Friends | 80 | 26.6 |
| Social media | 73 | 24.3 |
| TV Ads | 21 | 7.2 |
| **Total** | **300** | **100.0** |



**Figure 5:** Sources of Influence

The factors of impact on 300 respondents' purchasing choices are shown in Table 5. According to the research, family has the most effect, with 41.9% of respondents (126 people) saying that family members have an impact on their purchasing decisions. Friends rank as the second most important source, influencing 26.6% (eighty) of the respondents. Social media also has a significant impact, affecting 24.3% of the population (73 people), highlighting the increasing significance of digital platforms in influencing consumer behavior. TV commercials are still important, but they have less of an impact—only 7.2% of the respondents, or 21 people, are impacted. In general, the research indicates that interpersonal connections, including those with family and friends, have the greatest effect on purchasing choices, albeit social media also plays a big role. When creating marketing plans, businesses should take these main factors into account and make sure to use social media and networks of friends and family to successfully contact and convince prospective consumers.

## 5. CONCLUSION

The study on online shopping behaviors among 300 respondents reveals a strong preference for digital payment methods, with credit cards being the most popular. This trend indicates increased consumer confidence in the security and convenience of online transactions. The majority of respondents shop at least once a month, with a substantial portion shopping more frequently. The primary purposes of online shopping are actual purchases and seeking product and price information, emphasizing the dual role of online platforms as both a marketplace and a research tool. Promotional deals and brand comparisons also play a significant role in promoting competitive pricing and comprehensive product information. The majority of respondents fall into moderate to high spending categories, indicating potential market opportunities for businesses targeting different consumer segments. Family, friends, and social media are the most influential sources on shopping decisions, underscoring the importance of personal relationships and digital platforms in shaping consumer behavior.

## REFERENCES

1. Ahuja, B. (2018, April). Customer Perception towards Online Buying Of Electronic Products from Flipkart sand Amazon. IOSR Journal of Business and Management (IOSR-JBM), 90-96
2. Akram, M. Shakaib. (2018). "Drivers and Barriers to Online Shopping in a Newly Digitalized Society." TEM Journal 7 (1): 118-127.

3.  Alam, S. S. & Bakar Z. (2008), Young consumers online shopping: an empirical study, Journal of Internet Business Issue 5, pp.81-98

4.  Burt, S. a. (2003), E-commerce and the retail process, Journal of Retailing and Customer Services.

5.  Büttner, O. B. & Göritz, A.S. (2008), Perceived trustworthiness of online shops, Journal of Consumer Behaviour (2008), Vol.7, pp. 35–50

6.  Cabrera-Sánchez, J. P., Ramos-de-Luna, I., Carvajal-Trujillo, E., & Villarejo-Ramos, N. F. (2020). Online Recommendation Systems: Factors Influencing Use in E-Commerce. Sustainability, 12(21), 8888.

7.  Çera, G., Pagria, I., Khan, K. A., & Muaremi, L. (2020). Mobile banking usage and gamification: the moderating effect of generational cohorts. Journal of Systems and Information Technology, 12(3), 243–263.

8.  Debbarma, Sonnet, Nandi, Gypsy (2014), "Promoting E-Commerce in India: Main Issues and Challenges", International Journal of Computer Science and Information Technologies, Vol. 5 (6) , Pp.7371-7375

9.  Ludicke, G. E. (Ed.). (2017). Consumer Perception of Product Risks and Benefits. Springer International Publishing. doi: 10.1007/978-3-319-50530-5

10. Seung and Framarz (2014), "Effects of Risks on Online Consumer's Purchasing Behaviour: Are They Risk-Averse or Risk-Taking?", The Journal of Applied Business Research, Vol. 30, No. 1, pp. 161-172

11. Syed Shah Alam and Norjaya Mohd. Yasin (2010), An Investigation into the Antecedents of Customer Satisfaction of Online Shopping; Journal of Marketing Development and Competitiveness 5(1)

12. Tyagi P, Gazaresen R K, Pandey K N (2020) Sustainable Development in Emerging Economies through International Co-operation-An Empirical Study in Power Sector Our Heritage. 68(30); 5075-5093.

13. Umair Cheema, M. R. (2013). The Trend of Online Shopping in 21st Century: Impact of Enjoyment in TAM model. Asian Journal of Empirical Research, Vol. 3 (2), 131-141.

14. Uraltas, N., & Koroglu, D. (2012). Exploring A New Electronic Retailing Trend In Turkey And The World: Private Shopping. International Journal of eBusiness and eGovernment Studies, 4(2), 47-56

15. Van Droogenbroeck, E., & Van Hove, L. (2021). Adoption and Usage of E-Grocery Shopping: A Context-Specific UTAUT2 Model. Sustainability, 13(8), 4144.