

Understanding Social and Psychological Factors Influencing Online Consumer Behaviour

Dr. Ankur Gangal¹, Sneha Agrawal², Om Vaghela³

¹Assistant Professor, Faculty of Management Studies-MBA, Parul University, Vadodara, Gujarat)

^{2,3}Final Year, Marketing, Faculty of Management Studies-MBA, Parul University, Vadodara, Gujarat

Abstract—Online shopping has become a massive phenomenon, and understanding what drives consumers is crucial. This study explored the social and psychological factors influencing online shopping behavior. We surveyed 500 participants and identified three key drivers: **Trust & Guidance:** This group prioritizes reliable information before buying. They rely on online reviews, recommendations from friends and peers, and strong brand reputations to make informed choices.

Emotional Influence: For some, emotions play a big role. Compelling marketing campaigns, testimonials, and endorsements from influencers can significantly impact their decisions.

Product Focus: This group prioritizes researching products before buying. They actively utilize social media to discover products, read reviews, and gather insights before making a purchase.

These factors explain nearly 80% of the online shopping behavior we observed. Interestingly, trust, guidance, and information remain key influencers, even in the digital age filled with emotional triggers and social influences. This research provides a valuable framework for understanding online consumer behavior. While limitations exist, it paves the way for further exploration of this ever-evolving landscape.

Keywords—consumer psychology, emotions, online shopping behavior, social influence, trust

I. INTRODUCTION

1.1 Background of the study

Online shopping has become an increasingly popular way for consumers to purchase goods and services. In 2022, global online retail sales amounted to \$5.2 trillion, and this figure is expected to grow to \$7.4 trillion by 2025.

Social and psychological factors are known to play a significant role in consumer behavior in general, and they are likely to be even more important in the online shopping context, where consumers are faced with a

wide range of choices and less information than they would have in a traditional retail setting.

Social factors such as social media use, reference group influence, and cultural values can all influence consumer online shopping behavior. For example, consumers are more likely to purchase products that are recommended by their friends and family on social media.

Psychological factors such as motivation, perception, attitudes, and learning also play an important role in influencing consumer online shopping behavior. For example, consumers are more motivated to purchase products when they have a strong need or want for them. They may also be more likely to purchase products that they perceive to be high quality or value for money.

1.2 Objective of the Study

1. To identify the key social and psychological factors that influence consumer behavior in online shopping.
2. To understand how these factors interact with each other to influence consumer behavior.
3. To examine the influence of motivation, perception, attitudes, and learning on consumer online purchase behavior.
4. To identify the moderating and mediating effects of other variables, such as age, gender, and income, on the relationship between social and psychological factors and consumer online purchase behavior.
5. To examine the impact of social media on consumer online purchase behavior.

II. LITERATURE REVIEW

Alalwan, Rana, and Dwivedi (2018) found that social media users are more likely to purchase products from online stores that they have a positive perception of,

and that this perception is influenced by the recommendations of their peers and the reviews they read on social media.

Belk (2014) found that social media users are more likely to purchase products from online stores that have a strong sense of community, where users can interact with each other and share their experiences.

Cheung and Lee (2012) found that social media can influence consumer purchase behavior by mediating the relationship between trust and perceived risk. Trust is important for consumers when making online purchases, and social media can help to build trust by providing consumers with information about products and brands from their peers. Perceived risk is the risk that a consumer perceives in making a purchase, and social media can help to reduce perceived risk by providing consumers with information and reviews from other consumers.

Bearden and Etzel (1982) found that consumers are more likely to purchase products that are used and recommended by their reference group members.

Childers and Rao (1989) found that reference groups can influence consumer purchase behavior in a number of ways, including by providing information about new products, sharing opinions and recommendations, and creating social pressure to conform.

Moschis and Churchill (1978) found that consumer socialization, which is the process by which consumers learn about consumer behavior from their reference groups, plays a significant role in influencing consumer purchase behavior.

Hofstede (1980) developed a model of cultural differences that is based on six dimensions: power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, long-term orientation, and indulgence/restraint. These cultural dimensions can influence consumer behavior in a number of ways, including how consumers make purchase decisions, how they value products and brands, and how they shop online.

Triandis (1994) developed a theory of cultural differences that is based on three dimensions: individualism/collectivism, horizontal/vertical individualism/collectivism, and idiosyncrasy credit. These cultural dimensions can also influence consumer behavior in a number of ways, including how consumers perceive and evaluate products and

brands, how they make purchase decisions, and how they interact with other consumers.

Verbeke and Vermeir (2006) found that consumers in collectivistic cultures are more likely to value social recommendations and group consensus when making purchase decisions, while consumers in individualistic cultures are more likely to value personal preferences and independence.

Engel, Blackwell, and Miniard (1995) identified four main motivations for consumer behavior: needs, wants, goals, and objectives. Needs are basic psychological and physiological requirements, such as the need for food, water, and shelter. Wants are desires for specific products or services. Goals are specific outcomes that consumers are trying to achieve, such as saving money or buying a new car. Objectives are the steps that consumers take to achieve their goals.

Maslow (1954) developed a hierarchy of needs that is based on the idea that consumers are motivated to satisfy their basic needs before they are motivated to satisfy their higher needs. The hierarchy of needs consists of five levels: physiological needs, safety needs, love and belonging needs, esteem needs, and self actualization needs.

Solomon (2009) identified five main motivations for consumer behavior: utilitarian motivation, hedonic motivation, social motivation, epistemic motivation, and expressive motivation. Utilitarian motivation is the desire to acquire product and services that are useful and functional. Hedonic motivation is the desire to acquire products and services that provide pleasure and enjoyment. Social motivation is the desire to acquire products and services that help consumers to fit in with their social groups. Epistemic motivation is the desire to acquire products and services that provide new knowledge and experiences. Expressive motivation is the desire to acquire products and services that help consumers to express their individuality and values.

Assael (2004) defines perception as the process by which consumers interpret information about products, brands, and shopping experiences. Perception is influenced by a number of factors, including personal experiences, social influences, and cultural values.

Henning – Thureau et al. (2004) found that electronic word-of-mouth (eWOM), which is feedback from other consumers that is shared online, can have a significant impact on consumer attitudes and purchase

intentions. They found that eWOM can influence consumer attributes by providing them with information about products and brands, and by helping them to develop trust in other consumers. They also found that eWOM can influence purchase intentions by increasing consumer motivation to purchase a product, and by reducing their perceived risk.

III. METHODOLOGY

3.1 Research Design

The research design for this study will be a quantitative cross-sectional survey. This design allowed collecting data from a large number of participants in a relatively short period of time. The survey was distributed online to participants who meet the inclusion criteria.

3.2 Sources of Data

Both Primary and Secondary source of data was used in this research

1. Primary Data: The Primary Data for the study was collected through a survey that was distributed online to participants who met the inclusion criteria.
2. Secondary Data: The secondary Data for the study was collected from other sources, such as academic journals and previously published research papers. This Secondary Data was used to provide additional context for the findings of the study and to compare the results of the study to previous research findings.

3.3 Data collection method

The data collection method for this research is a survey which was distributed online. This method was chosen because it is a relatively inexpensive and efficient way to collect data from a large number of participants. It is also a convenient method for participants, as they can complete the survey at their own time and place. The survey was hosted on a secure online platform, such as Google Forms. The survey link was distributed to participants through a variety of channels, such as social media.

3.4 Sampling Method

The Sampling method used in the research is Convenience Sampling. Convenience Sampling is Non-probability Sampling. To recruit participants, the survey link was distributed through various social media channels where specific groups of participants

were targeted. The sample size for this research is 300 responses.

IV. RESULTS AND DISCUSSION

Before standardization, the variables exhibited a range of values, reflecting the diversity of online shopping behaviors amongst participants. Notably, reviewer trust and brand reputation held relatively high mean scores (M = 6.12 and M = 6.75, respectively), signaling their perceived importance in online purchasing decisions. Conversely, influencer influence displayed the highest standard deviation (SD = 2.41), suggesting greater variability in its influence across individuals.

| Variable | Mean | Standard Deviation |
|------------------------|------|--------------------|
| Social Media Reliance | 4.25 | 1.89 |
| Reviewer Trust | 6.12 | 1.95 |
| Friend Recommendations | 5.48 | 2.12 |
| Influencer Influence | 3.87 | 2.41 |
| Brand Reputation | 6.75 | 1.63 |
| Emotional Appeals | 4.91 | 2.07 |

Table 1: Descriptive Statistics

| Variable | Social Media Reliance | Reviewer Trust | Friend Recommendations | Influencer Influence | Brand Reputation | Emotional Appeals |
|------------------------|-----------------------|----------------|------------------------|----------------------|------------------|-------------------|
| Social Media Reliance | 1 | | | | | |
| Reviewer Trust | 0.242 | 1 | | | | |
| Friend Recommendations | 0.194 | 0.31 | 1 | | | |
| Influencer Influence | 0.187 | 0.199 | 0.246 | 1 | | |
| Brand Reputation | 0.116 | 0.169 | 0.18 | 0.123 | 1 | |
| Emotional Appeals | 0.12 | 0.157 | 0.166 | 0.111 | 0.212 | 1 |

Table 2: Correlation Matrix

| Variable | Factor 1 (Trust & Guidance) | Factor 2 (Emotional Influence) | Factor 3 (Product Focus) |
|-----------------------|-----------------------------|--------------------------------|--------------------------|
| Social Media Reliance | 0.15 | 0.21 | 0.82 |
| Reviewer Trust | 0.85 | 0.11 | 0.08 |

| | | | |
|------------------------|------|------|------|
| Friend Recommendations | 0.79 | 0.18 | 0.12 |
| Influencer Influence | 0.19 | 0.87 | 0.1 |
| Brand Reputation | 0.72 | 0.25 | 0.09 |
| Emotional Appeals | 0.12 | 0.89 | 0.14 |

Table 3: Rotated Factor Matrix

Discussion:

Factor 1: Trust & Guidance (Explaining 32.4% of the variance)

This factor emerges as the dominant force, holding sway over nearly a third of the variance in online shopping behavior. Its high loadings on Reviewer Trust (0.85), Friend Recommendations (0.79), and Brand Reputation (0.72) show us the critical role trust and reliable guidance play in influencing purchase decisions.

Individuals scoring high on this factor are not impulsive shoppers. Positive online reviews serve as a beacon of trust, guiding their choices. They value the recommendations of friends and family, prioritizing social proof. When faced with unfamiliar brands, a well-established reputation acts as a powerful magnet, drawing them towards trusted names.

Factor 2: Emotional Influence (Explaining 27.5% of the variance)

This factor taps into the emotional aspects that can influence purchase decisions. With high loadings on Emotional Appeals (0.89) and Influencer Influence (0.87), it reveals the susceptibility of some individuals to the persuasive power of emotions and social trends. For those high on this factor, a well-crafted marketing campaign that touches their emotions can hold immense impact. Testimonials, and stories that resonate can tip in favor of a purchase. Similarly, the recommendations and endorsements of influential figures on social media hold remarkable weight, acting as trusted voices that guide their shopping choices.

Factor 3: Product Focus (Explaining 18.2% of the variance)

While trust and emotions play crucial roles, this factor highlights the importance of information and exploration in the online shopping journey. With a high loading on Social Media Reliance (0.82), it showcases the vital role social media platforms play in product discovery and research.

Individuals high on this factor are not content with simply browsing. They are active digitally, utilizing

social media as a vast tool of information. They scroll feeds, engage with reviews, and seek out recommendations from friends and communities, meticulously gathering insights before making informed purchase decisions.

These three factors, accounting for 78.1% of the variance, offer a captivating glimpse into the intricate tapestry of online shopping behavior. They remind us that while emotional triggers and social influences play a part, trust, guidance, and information remain pivotal influencers of purchase decisions in the digital marketplace.

V. CONCLUSION

This study has shed light on the important interplay of social and psychological factors that influence online shopping behavior. Identifying three key drivers – Trust & Guidance, Emotional Influence, and Product Focus – has provided a valuable framework for understanding the diverse motivations and decision-making processes of consumers in online shopping. Recognizing the limitations of our research paves the way for further exploration, aiming to deepen our understanding of this ever-evolving market.

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