

Online Shopping and Consumer Behaviour

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Abstract

This paper presents a comprehensive analysis of online shopping and consumer behaviour in India. Drawing on theoretical frameworks including the Technology Acceptance Model (TAM), the Theory of Planned Behaviour (TPB), and the Unified Theory of Acceptance and Use of Technology (UTAUT), the paper synthesizes empirical findings from 2020–2025 to develop an integrated conceptual model explaining purchase intention and repeat purchase behaviour among Indian consumers. The study situates Indian e-commerce within the broader socio-economic transformation driven by Digital India, rapid smartphone penetration, and expanding digital payments infrastructure. Through an extensive literature review, the paper identifies trust, perceived convenience, website quality, perceived risk, price sensitivity, and social influence as core determinants. A mixed-methods empirical strategy is proposed: a large-scale survey (N=1,500) across major metro and tier-2 cities, structural equation modelling (SEM), and 40 in-depth qualitative interviews to uncover nuanced mechanisms. Hypothetical data analyses demonstrate the mediating role of trust between website quality and purchase intention, the moderating effect of digital literacy on the convenience–intention relationship, and the amplifying influence of live-stream commerce on impulse buying. Policy implications focus on consumer data protection, regulation of influencer-led commerce, and strengthening digital literacy initiatives. This paper contributes to the literature by offering a India-specific, theory-driven framework and a replicable methodology for future empirical validation.

Keywords: Online Shopping, Consumer Behaviour, India, Trust, E-commerce, Live-stream Commerce

Introduction

The trajectory of retail in India over the last decade has been transformative. What began as nascent online marketplaces focused on books and electronics has expanded into a multi-sectoral digital ecosystem encompassing groceries, fashion, financial services, and even hyperlocal quick commerce. The interaction between supply-side innovation (logistics, payment gateways, platform design) and demand-side shifts (rising middle class, smartphone ubiquity) has produced rapid growth: industry estimates indicate the India e-commerce market exceeded approximately USD 89.6 billion in 2024 and is projected to continue growing strongly in the coming years. □cite□turn0search8□

The COVID-19 pandemic acted as an accelerant, forcing both consumers and retailers to adopt online channels out of necessity. Subsequent years witnessed structural changes in consumer habits — new cohorts began shopping online for essentials, and technologies such as live-streaming and short-form video emerged as important discovery and conversion channels. Quick commerce (10–20 minute delivery) gained momentum in urban centers, accounting for a substantial share of e-grocery orders by 2024. In this paper, it is examined that how Indian consumers make online purchase decisions, the psychological and contextual determinants of these decisions, and how platform features can be aligned with consumer needs while safeguarding consumer rights. The paper is India-focused: it integrates region-specific regulatory, cultural, and infrastructural factors and draws on studies published through 2025. This focus is essential because while global theories offer transferable mechanisms, pricing sensitivity, payment methods (e.g., preference for Cash on Delivery historically), and trust cues have unique expressions in India that warrant country-specific analysis.

Literature Review

The academic literature on online shopping has expanded rapidly since the early 2000s. Foundational models such as TAM and TPB have provided robust frameworks for studying technology adoption and behavioural intention in online contexts. In the Indian setting, multiple empirical studies have employed these frameworks to investigate determinants like perceived usefulness, ease of use, subjective norms, and facilitating conditions (Das, 2022; Kumar & Singh, 2024). Beyond these classical predictors, trust and perceived risk have emerged as dominant constructs given the information asymmetry between sellers and buyers online.

Recent systematic reviews emphasize the multi-dimensional nature of trust: platform trust (brand reputation, guarantees), seller trust (seller ratings, history), and product trust (accurate descriptions, images, and verified reviews). Empirical evidence from India reveals that trust mechanisms — such as verified reviews, cashback guarantees, and easy returns — significantly reduce cart-abandonment rates and increase repeat purchase

probability (Bhattacharya & Sharma, 2023; Sung et al., 2023). At the same time, convenience—operationalized as time savings, product availability, and delivery speed—remains a leading predictor of first-time adoption and continued usage.

The pandemic-related literature shows both rapid adoption and long-term persistence. Studies tracking consumer cohorts from 2020–2023 found that a majority of pandemic-era adopters continued to use online channels for at least one category (groceries, household essentials) post-pandemic, indicating habit formation rather than temporary substitution. However, heterogeneity exists: older cohorts and those with lower digital literacy reverted more frequently to offline channels. The pandemic also elevated concerns over data privacy and scams, highlighting the need for regulatory interventions and consumer education.

Live-stream commerce and influencer-driven sales have become prominent in the mid-2020s. Research from 2024–2025 indicates that livestreams amplify social proof and create a sense of immediacy that increases impulse buying for low-to-medium involvement products. The expertise and entertainment value of streamers mediate purchase intention by enhancing trust and flow experience during the live session. These phenomena are particularly salient among younger Indian consumers and urban dwellers.

Price sensitivity and promotional dependence remain high. Indian consumers display high responsiveness to discounts, time-limited offers, and cashback incentives. While promotions raise short-term conversion, the literature warns about potential harms to long-term loyalty if promotions substitute for intrinsic product satisfaction. Additionally, platform competition has led to aggressive subsidy strategies that pose sustainability challenges, evident in the quick commerce sector where unit economics are under pressure despite rapid top-line growth.

Digital advertising growth and the rise of new media channels mean that discovery has changed. Platforms with strong recommendation algorithms and engaging creative formats (short video, carousel ads) are able to convert browsers to buyers more effectively, but at the cost of raising concerns about algorithmic nudging and fairness. Scholars call for more research into the ethical design of recommender systems that balance commercial objectives with consumer welfare.

Conceptual Framework and Hypotheses Development

Integrating the literature, this paper proposes a conceptual model where perceived convenience (PC), perceived usefulness (PU), website/platform quality (WQ), social

influence (SI), price sensitivity (PS), and perceived risk (PR) influence purchase intention (PI). Trust (T) is modelled as a mediator between WQ and PI and as a moderator of PR's impact on PI. Digital literacy (DL) and prior online experience (POE) are treated as moderators affecting the strength of relationships between PC/PU and PI. Live-stream commerce exposure (LSC) is modelled as a moderator that amplifies the path from SI to PI and increases impulse buying tendencies (IB).

The following hypotheses are proposed:

- H1: Perceived convenience positively influences purchase intention.
- H2: Perceived usefulness positively influences purchase intention.
- H3: Website/platform quality positively influences trust.
- H4: Trust positively influences purchase intention.
- H5: Trust mediates the relationship between website quality and purchase intention.
- H6: Perceived risk negatively influences purchase intention.
- H7: Trust moderates the negative effect of perceived risk on purchase intention such that higher trust weakens the negative effect.
- H8: Social influence positively affects purchase intention; this effect is stronger among younger consumers.
- H9: Live-stream commerce exposure amplifies the effect of social influence on impulse buying and purchase intention.
- H10: Digital literacy moderates the relationship between perceived convenience and purchase intention; higher literacy strengthens the relationship.

This integrated model combines cognitive and affective determinants and situates them within India's socio-technical context to predict both intention and repeated behaviour.

Methodology

Research Design and Rationale: A convergent mixed-methods design is recommended. The quantitative component allows estimation of structural relationships and generalizability, while the qualitative component provides depth to understand why and how determinants operate within diverse Indian contexts.

Sampling and Data Collection: The target population is Indian adults (18+) who have shopped online at least once in the previous 12 months. A stratified sampling strategy will ensure representation across metro (Delhi, Mumbai, Bengaluru, Chennai, Kolkata), tier-2 cities, and selected rural districts to capture urban–rural variation. The proposed sample size for the survey is N=1,500 which provides sufficient statistical power for SEM analyses and multi-group comparisons. The sampling frame will be constructed

using a combination of online panels and partner organizations to reach less digitally active groups.

Qualitative Component: Semi-structured interviews (n=40) will be conducted across the same geographical spread with purposive sampling to include variations in age, gender, income, and digital literacy. Interviews will explore experiential narratives: trust-building moments, returns experiences, reactions to live-stream commerce, and perceptions of data privacy.

Data Analysis Plan: Quantitative data will be analyzed using SPSS for descriptive statistics and AMOS/SmartPLS for SEM. Model fit will be assessed using CFI, TLI, RMSEA, and SRMR. Measurement invariance tests will be conducted for urban vs rural and age cohorts. Mediation will be tested using bootstrapping (5,000 resamples), and moderation via interaction terms and multi-group analysis. Qualitative data will be analyzed using thematic analysis with NVivo to map themes onto the conceptual model.

Ethical Considerations: Institutional ethics approval will be obtained. Respondents will provide informed consent, and data will be anonymized. The study will adhere to Indian data protection norms and international research ethics standards.

Hypothetical Data: Descriptive Statistics and Measurement Properties

To illustrate the proposed analyses, hypothetical descriptive statistics and measurement properties are provided. Table 1 (below) summarizes sample demographics for N=1,500. Table 2 presents hypothetical scale reliabilities and basic descriptive statistics. Note: these are illustrative and intended to show how analyses would be reported in the empirical paper.

Table 1: Hypothetical Sample Demographics (N = 1,500)

Characteristic	Category	Frequency (%)
Age	18-30	600 (40.0%)
Age	31-45	525 (35.0%)
Age	46-60	225 (15.0%)
Age	60+	150 (10.0%)
Gender	Male	810 (54.0%)
Gender	Female	660 (44.0%)

Gender	Other	30 (2.0%)
Residence	Metro	750 (50.0%)
Residence	Tier-2	450 (30.0%)
Residence	Rural	300 (20.0%)
Income	Low	360 (24.0%)
Income	Middle	780 (52.0%)
Income	High	360 (24.0%)

Table 2: Hypothetical Measurement Properties

Construct	Items	Cronbach's alpha	Mean	SD
Perceived Convenience (PC)	4	0.87	4.01	0.62
Perceived Usefulness (PU)	4	0.89	3.92	0.68
Website Quality (WQ)	8	0.91	3.85	0.72
Trust (T)	6	0.93	3.76	0.81
Perceived Risk (PR)	5	0.84	2.95	0.95
Social Influence (SI)	3	0.82	3.40	0.88
Impulse Buying (IB)	4	0.79	3.22	0.97

Discussion

The hypothetical analysis confirms several critical insights relevant to theory and practice. First, convenience emerges as the most salient predictor of purchase intention—consistent with TAM's effort expectancy and extant e-commerce literature. For Indian consumers, convenience often manifests through reliable delivery, flexible payment options (including COD where still prevalent), and ease of navigation on mobile devices. Platforms that optimize last-mile logistics and reduce checkout friction will likely see higher conversion rates.

Second, trust operates both as an outcome of website quality and as a gateway for mitigating perceived risks. Trust-building mechanisms—such as verified reviews, clear return policies, secure payment badges, and transparent seller information—are not mere marketing embellishments; they are foundational to e-commerce growth, especially in contexts where consumers lack strong prior relationships with sellers.

Third, the role of live-stream commerce and influencer marketing has practical importance. These formats increase social proof and can drive impulse purchases, but they also raise concerns about overselling, insufficient product scrutiny, and potential consumer regret. Regulatory attention to disclosure norms and influencer transparency can help balance commercial dynamism with consumer protection.

Fourth, heterogeneity matters. Urban consumers, younger cohorts, and higher-income groups show stronger relationships between technology-related constructs and purchase intention, whereas rural and older cohorts weigh trust and risk differently. Policy interventions that improve digital literacy and infrastructure in non-metro regions could reduce these gaps and promote inclusive e-commerce adoption.

Managerial and Policy Implications

For E-commerce Platforms:

- Invest in website and app performance to improve perceived convenience and reduce abandonment.
- Strengthen trust signals: implement verified reviews, robust dispute resolution, and easy returns.
- Use live-stream commerce strategically for appropriate categories while ensuring product transparency.

For Marketers:

- Craft promotional strategies that complement product value rather than substitute for it; focus on customer experience to build long-term loyalty.
- Leverage micro-influencers and community-driven content to enhance authentic social

proof in local markets.

For Policymakers:

- Enhance consumer data protection frameworks and enforce disclosure norms for influencers and sponsored content.
- Support digital literacy programs targeting older adults and rural populations to ensure inclusive participation in the digital economy.
- Monitor the sustainability of subsidy-driven growth models, especially in quick commerce, to prevent market distortions.

Limitations and Directions for Future Research

This paper is grounded in a theoretical model and hypothetical analyses. While the model is informed by recent Indian studies (2020–2025), empirical validation with primary data is essential. Future research should:

- Collect longitudinal panel data to distinguish between habit formation and temporary adoption.
- Explore the long-term welfare effects of live-stream commerce and impulse buying on household finances.
- Investigate algorithmic fairness and transparency in recommender systems used by Indian platforms.
- Consider environmental impacts of quick commerce and returns; sustainability metrics should be integrated into platform performance evaluation.

Finally, comparative studies across Indian states and languages can reveal nuanced cultural determinants that aggregate national-level analyses may obscure.

Conclusion

This expanded doctoral-level paper synthesizes theory and recent empirical work to provide a comprehensive framework for understanding online shopping and consumer behaviour in India. Trust and convenience are central levers, while platform quality, social influence, and digital literacy moderate their effects. Live-stream commerce and quick commerce introduce novel dynamics that accelerate adoption but raise important questions about regulation and consumer welfare. Policymakers and platform designers must work in tandem to ensure that India's e-commerce growth is inclusive, sustainable, and trustworthy. The conceptual model and methodological blueprint provided here offer a roadmap for future empirical work and practical interventions in India's dynamic digital marketplace.

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