

Article

Factors Affecting Online Shopping Behavior of Consumers

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Abstract

This study investigates the factors influencing online shopping behavior, focusing on variables such as trust, word of mouth, social media influence, pricing, and website quality. Using Partial Least Squares Structural Equation Modeling (PLS-SEM), data was collected via structured questionnaires and analyzed for reliability, validity, and predictive relevance. Findings highlight trust and word of mouth as the strongest drivers, with significant roles for website quality, social media influence, pricing, and promotions. In this study we have taken the overview of 300 respondents which include students and working professionals. The study offers practical insights for e-commerce platforms to enhance consumer trust, leverage social media, and adopt competitive pricing strategies, contributing to both academic knowledge and industry practices.

Keywords: Online shopping behavior, trust, word of mouth, social media influence, e-commerce, sales promotions.

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1. Introduction:

Online shopping behavior (OSB) stands for the buying habits and decision-making behavior of customers in an electronic marketplace. During the last two decades, the process of online shopping has witnessed various transformations. Digital technology and electronic platforms for buying have experienced exponential growth along with changing customer preferences (Singh, Vij, & Singh, 2020). With the emergence of digital technologies, the Internet has become an interactive global marketplace where consumers go to search for product features, compare prices, read reviews, and make purchases. As of 2023, approximately 5.4 billion people, or 67% of the global population, are utilizing the internet, an increase of 45% since 2018. This has brought in 1.7 billion new users since then.

The shift towards online shopping is driven by ease of access, product availability, and competitive pricing. However, global variations in shopping behavior exist due to differences in consumer trust, payment systems, and logistics infrastructure (Clemons et al., 2016). The online shopping landscape has also evolved demographically. Gen Z and Millennials are leading the charge, with Gen Z shoppers, in particular, making frequent purchases using smartphones. Millennials prefer the convenience of fast shipping and diverse product availability, making them the primary audience for many e-commerce platforms. Meanwhile, Baby Boomers, although less digitally native, are increasingly engaging in online shopping, especially in categories like groceries and personal care.

The online shopping landscape has also been demographically altered. Gen Z and Millennials lead the charge. Gen Z consumers, in particular, shop online frequently through mobile devices. The convenience of fast shipping and wider availability of goods is preferred by Millennials, hence becoming the biggest target market of most e-commerce sites. In contrast, although less digitally savvy, Baby Boomers are starting to shop more online, and in some segments, such as groceries and personal care, the trend is getting stronger.

This research provides a comprehensive view of online consumer behavior by analyzing how various

factors such as word of mouth, online reviews, social media influence, trust, website quality, online sales promotion, and online product price interact to shape consumer's buying decisions. It provides valuable insights into what motivates consumers to shop online, how these motivations work, and what they mean for both shoppers and e-commerce businesses. These results also support some of the earlier conclusions and resolve some of the discrepancies found in previous studies. Overall, the study improves our understanding of the online shopping habit from a behavioral perspective, given the complex interaction of psychological and social factors involved.

2. Literature Review:

A comprehensive review of literature has been created, citing 50 papers, out of which 43 are Scopus-indexed across various ratings. These studies explore key factors such as trust, word of mouth, social media influence, pricing strategies, and website quality, providing a robust foundation for understanding online shopping behavior. The results of the literature review have been thematically represented under various themes as given below. Additionally, two tables are included to highlight the distribution of Scopus, UGC & EBSCO-indexed papers and their respective ABDC ratings, emphasizing the credibility and academic rigour of the sources utilized.

ABDC Ranking	Count
A*	9
A	20
B	6
C & Other	11

Table 1: Papers Indexed in different Journals

Papers	Count
Scopus Indexed	36
Scopus & UGC	6
Scopus & Ebsco	1
Others	3

Table 2: ABDC Ranking of Papers

2.1. Word of Mouth

Word-of-mouth (WOM) refers to the informal exchange of information between consumers about products, services, and brands. Traditionally, WOM played a crucial role in shaping consumer perceptions and purchase decisions. According to

digital evolution, word-of-mouth became a power-driving consumer decision because of internet-related reviews and ratings, personal suggestions, as well as a large number of postings on other internet platforms. Compared to direct advertisements, people see word of mouth as highly believable since these actually come from customers, not advertisers (Cheung & Thadani, 2012). Consumers are reported to seek WOM while making online purchase decisions and depend on the previous buyers' opinions in assessing the products (Cheung et al., 2008).

Numerous studies have shown that the three aspects that reflect WOM's effectiveness are its credibility, perceived usefulness, and valence (positive, negative, or neutral). A meta-analysis by Moradi and Zihagh (2022) investigated and revealed that the perceived credibility and usefulness of WOM have direct effects on consumer behavioral intentions as major mediators of the use of WOM information (Moradi & Zihagh, 2022). The valence of WOM, which may be positive, negative, or mixed, influences the consumers' decisions. Research indicates that though positive WOM has a strengthening effect on trust and purchase intentions, negative WOM plays a more pivotal role in the creation of skepticism and the modification of risk perception (Chevalier & Mayzlin, 2006). However, mixed or neutral WOM, which talks about both pros and cons is increasingly gaining importance because it provides a balanced perspective that enhances credibility and encourages informed decision-making (Tang, Fang, & Wang, 2014). Furthermore, studies show that rich WOM content, such as multimedia reviews (videos, images, infographics), increases consumer engagement and purchase likelihood (Roy, Datta, & Mukherjee, 2018)

The Elaboration Likelihood Model (ELM) explains the processing of WOM messages by the consumer. Based on Moradi and Zihagh (2022), central route processing in the case of high-involvement consumers as they process the WOM through the argument quality and information depth in the purchase decision process. However, low-involvement consumers rely on peripheral route processing influenced by cues like review volume, star ratings, and social endorsements (Moradi & Zihagh, 2022).

Although prior research has demonstrated that word-of-mouth communication has a significant

effect on consumer choices, the literature is still unable to agree on whether such an influence is long-lasting in this digital scenario where the consumer is bombarded with myriad information sources. Moreover, the effectiveness of WOM in a scenario where other influencing factors like online reviews and influence via social media prevail needs more validation.

2.2. Trust

Trust is one of the major determinants that greatly affect consumer behavior in online environments. Trust in an online environment encompasses the perceived integrity, reliability, and security of a seller or platform, which leads to greater customer confidence in purchasing online (Zhao et al., 2023). Trust plays an important role in consumer buying decision, especially with the purchase through online where consumers are unable to inspect products in person or directly communicate with vendors (Bhattacharjee, 2002). With limited personal interactions, there is greater perceived risk that influences a consumer to make or not make a purchase. In this case, factors such as website security, reputation, customer reviews, and past experiences drive the consumer to trust the online vendor (Kim & Peterson, 2017).

The impact of trust on purchase intention in online shopping is direct and positive. Consumers who perceive an e-commerce platform as trustworthy are likely to engage in repeat purchases and recommend the store to others (Kim & Peterson, 2017). Further support for this comes from Fang et al., (2014), who showed that higher trust levels lead to greater customer retention and repurchase intentions. Despite the benefits of trust, several barriers hinder trust development in e-commerce. According to Park and Kim (2003), perceived security risks, lack of reputation, and absence of personal interaction are major barriers preventing consumers from trusting online vendors. Trust not only affects purchase intention but also plays a significant role in customer loyalty.

While trust is identified as one of the prime determinants for online shopping, its importance does seem to change with the medium, demographic, and type of product. With the recent emergence

of mobile commerce and other social media applications, there arises a need for reassessment with regard to how trust plays an important role in new digital domains where consumer expectations are constantly undergoing changes.

2.3. Online Review

Online reviews play a critical role in the consumer's decision-making process while making their buying decisions in digital commerce. They provide consumers with textual comments, numerical ratings, and multimedia content for proper evaluation of products before purchasing (Floh, Koller, & Zauner, 2013). An important aspect of electronic word-of-mouth (WOM) is used to influence trust, brand perception, and purchase intention; online reviews are thus an important element of online shopping behavior (Thakur, 2018). According to research, 49% of consumers do not purchase unless they read online reviews, while 35% change their decision to purchase according to reviews (Tran, 2020).

According to Thakur (2018), online reviews have a significant impact on consumer trust in e-commerce. Such trust results in increased engagement and purchase intention. Online reviews are more authentic and transparent than advertisements, making them a more reliable source of information. The valence of online reviews influences consumer perceptions and purchase behavior. While the positive views promote brand value, increase intent to buy and diminish potential purchasers (Floh et al., 2013). However, in contrast with these findings is the research report of Tran which established that adverse review is significantly powerful than that of the former; according to which a single adverse review drives many customers toward purchase decision modifications and such influence seems to exist more for risk of the particular product rather than an issue per se (2020).

Online reviews are not only information sources but are also a product of consumer engagement. Consumers who are actively reading and writing reviews tend to stay loyal to brands and are likely to be engaging in future purchase behavior (Thakur, 2018).

2.4. Social Media Influence

Social media has changed the behavior of consumers by acting as an interactive, engaging, and highly influential platform where people share product information, recommendations, and shopping experiences. With the rise of social commerce, consumers rely on peer recommendations, influencer endorsements, and brand-generated content to make purchase decisions (Zafar et al., 2019). While some studies argue that social media facilitates discovery and engagement with brands, others indicate that social media can be a distraction from actual purchases (Zhang et al., 2017).

Social media provides a primary platform for product discovery, whereby consumers "happen to come across" products through social connections, advertising, or influence. Multiple studies have suggested that cumulative exposure to content on social media increases consumer shopping activity over the long term (Zhang et al., 2017).

Ryu & Park (2020) have also shown that the consumers perceive functional, experiential, and symbolic benefits in using social media as a shopping platform, which further leads to their engagement with brands and purchasing intentions. Influencer marketing has emerged as the dominant force shaping consumer trust and purchase decisions. Studies have found that consumers trust influencers more than traditional celebrity endorsements, especially when the influencer is perceived as authentic and relatable (Zafar et al., 2019). Engagement on social media not only influences purchase decisions but also fosters long-term brand loyalty. Consumers who interact with brands on social media (e.g., commenting, sharing, participating in brand communities) tend to develop higher brand attachment and repeat purchase behavior (Chen & Lin, 2019).

2.5. Website Quality

Website quality is an important consideration in influencing consumer purchasing behavior in online shopping situations. Website quality comprises various qualities such as attractiveness, navigability, content accuracy, interactivity, and security, which cumulatively influence a consumer's trust, interaction, and purchasing intention (Ranganathan

& Ganapathy, 2002). Website quality influences the consumer decision-making behavior in e-commerce significantly. Website quality influences online impulse purchasing behavior directly, as per Akram et al. (2017).

Retailers with broad website scope tend to engage consumers for longer durations, leading to higher basket values, particularly for hedonic and utilitarian products (Mallapragada, Chandukala, & Liu, 2016). Aesthetically pleasing websites significantly enhance consumer engagement and satisfaction. Studies indicate that a well-designed website increases consumer trust and brand perception (Bart et al., 2005). Interactivity is another crucial factor in determining website effectiveness in influencing consumer shopping behavior. Websites offering personalized recommendations, interactive chatbots, and AR/VR integration create immersive shopping experiences that lead to higher engagement and purchase intentions (Parasuraman et al., 2005). According to Mou, Shin, and Cohen (2017), consumer perceptions of usefulness and trust in an e-commerce platform are enhanced when websites provide interactive features that facilitate easy decision-making.

2.6. Online Product Pricing

Online product pricing is very influential in a buyer's purchase decision-making in the digital marketplace. Online pricing is completely dynamic, competitive, and data-driven, allowing retailers to adjust their prices according to demand in the market, competitor pricing, and consumer behavior (Fisher, Gallino, & Li, 2017). In most cases, consumers evaluate available prices on different platforms before deciding on a purchase, so price transparency is very influential in the determination of shoppers' behavior. The Price-Quality-Value Model (Monroe & Krishnan, 1985) and the Means-End Model (Zeithaml, 1988) argue that higher discounts may lead to perceptions of lower quality, whereas moderate discounts enhance perceived value and savings (Lee & Chen-Yu, 2018). Dynamic pricing or real-time price adjustments based on market conditions and competitor pricing is increasingly common in online retail. This helps organizations maximize profits while also exposing buyers to price and trust risks when making buying decisions (Chen, Zha, Alwan, & Zhang, 2019). Price

competition between sellers is one common practice observed amongst online sellers whereby they revise prices based on competitive moves. In a related article, Fisher et al. (2017) suggested that with competitive price tracking, revenue increases of up to 11% result from adopting a dynamic price setting strategy in real-time.

While pricing has always been a significant factor in online shopping decisions, existing studies often overlook the nuances of dynamic pricing, perceived price fairness, and its impact on consumer trust. Furthermore, there is a lack of research on how price comparisons across platforms influence brand loyalty in an environment where consumers can easily switch between competitors for the best deals. Impulse buying is facilitated by price discounts, flash sales, and limited-period offers. Over-discounting may degrade the perceived quality of products (Lee & Chen-Yu, 2018).

2.7. Online Sales Promotion

Online sales promotion has become a powerful marketing strategy to attract and engage customers in the highly competitive e-commerce landscape. It includes various tactics such as discounts, coupons, flash sales, loyalty programs, and bundle offers, which are designed to influence consumer purchase decisions and boost online sales (Sharma & Verma, 2023). The digital media has provided an avenue for the retailers to have a direct route to their customers, which promotes the shopping experiences and increases re-purchase likelihood (Zhang & Liu, 2023).

The reason to include online sales promotion as an independent variable is the vast amount of research showing its significant influence on consumer behavior. Online promotions create a sense of urgency, trigger impulse buying, and enhance the perceived value of purchases (Singh & Patel, 2022). In the case of online shopping, where consumers have a multitude of options, promotions serve as a differentiating factor that can sway purchase decisions. Other research has shown that a good promotion campaign can raise website traffic, improve conversion rates, and generate customer loyalty. Zhang & Liu (2023) pointed out that digital coupons and targeted promotions should be the emphasis of campaigns as customers do well with

offers personalized to their tastes. In contrast, Singh & Patel (2022) noted that bundle offers are effective in increasing the perceived value of purchases, especially when consumers feel they are getting more for their money.

3. Objectives

The primary objective of this research is to explore the factors influencing online shopping behavior by examining key determinants that shape consumer decisions. Specifically, the study aims to assess the role of trust in building consumer confidence and its impact on online purchase intentions, evaluate the influence of word of mouth (WOM) and online reviews in driving engagement and purchase decisions, and analyze the impact of social media on consumer behavior, particularly through influencer marketing and brand interactions. Additionally, it investigates how website quality including usability, navigation, and security affects consumer trust and shopping experiences, examines the role of competitive pricing in influencing brand preference and loyalty, and studies the effectiveness of online sales promotions such as discounts, flash sales, and bundled offers in attracting and retaining customers. By addressing these objectives, the research provides valuable insights into consumer motivations and offers strategic recommendations for e-commerce businesses to enhance trust, optimize pricing strategies, and improve digital engagement.

4. Research Gap

While existing literature offers frameworks to understand the impact of WOM on attitudes and behaviors, it fails to explain in depth the social-psychological mechanisms underlying these outcomes (Moradi & Zihagh, 2022). There is limited exploration of how different online platforms—e-commerce websites versus social networking sites—moderate the adoption and impact of WOM, a distinction critical for platform-specific strategy development (Moradi & Zihagh, 2022). While previous studies agree that institutional mechanisms are essential, there is still a lack of empirical evidence in terms of how the perceived effectiveness of such mechanisms moderates critical relationships, including between trust and purchase intention or satisfaction and trust (Fang et al., 2014).

Much prior research has only considered the wide-ranging influence of social media use on consumer shopping behavior without seriously considering the double role of social media as an enabler for product discovery as well as an alternative to actual e-commerce action. The impact of social networking on shopping behavior is immediate, yet cumulative; it has thus far not been explored in sufficient depth (Zhang et al., 2017).

Since research focuses mostly on the direct effect of OCRs on consumer purchases, limited attention is given to the idea that cumulative exposure to Online Reviews over time influences long-term consumer loyalty and brand perception (De Haan et al., 2016). Although online sales promotions like discounts and coupons trigger impulse purchases, there is limited research on their long-term results in consumer loyalty and repeat purchases. Most previous studies only concentrate on short-term sales gains and fail to discuss the effect of how frequent promotions can have on consumer price sensitivity and perceived brand value (Zhang & Liu, 2023).

5. Research Questions:

The continuous shift towards digital retailing has made understanding online shopping behavior critical for businesses. Marketers are now leveraging data analytics, personalized advertising, and omnichannel strategies to meet consumer demands and improve customer retention. This study attempts to develop further research to study the effects of the factors which are identified by prior studies on online shopping behavior. The research questions are thus stated as follow

1. How does word of mouth influence online shopping behavior?
2. How do online reviews affect consumer decisions when shopping online?
3. How does trust in an online platform or seller impact online shopping behavior?
4. How does social media influence consumer decisions in online shopping?
5. How does the quality of a website or app affect online shopping behavior?

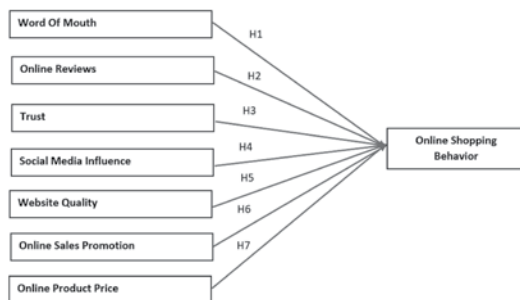
6. How do online sales promotions, such as discounts or limited-time offers, influence consumer decisions to shop online?
7. How do competitive online prices affect consumer behavior in online shopping?

5. Conceptual Framework

The proposed conceptual model captures the relationships between key variables influencing online shopping behavior. Independent variables include trust, word of mouth, social media influence, pricing, and website quality, which directly affect the dependent variable—online shopping behavior. The model also considers moderating variables like demographic attributes (e.g., age, income, and occupation) to analyze variations across consumer segments. Each variable is supported by insights from prior studies, ensuring theoretical rigor. For instance, trust reduces perceived risks, while social media influence drives engagement and conversions through peer recommendations. The model employs Partial Least Squares Structural Equation Modeling (PLS-SEM) to validate these relationships. This methodological choice enables the study to assess the predictive power of constructs and identify key drivers. The research model serves as a structured representation of the hypotheses, offering a visual and analytical framework to understand how psychological, social, and technological factors interplay to shape online consumer behavior.

Figure 1:

Conceptual Framework of the Research Study



Source: Made by Authors

6. Hypothesis Development

These inconsistencies and the evolving nature of online consumer behavior necessitate a re-

examination of these factors to validate their current relevance. Hence, the hypotheses formulated in this study aim to re-evaluate the significance of these variables in influencing online shopping behavior of youth and millennials specifically, addressing the gaps identified in previous research.

H1: Positive word of mouth positively influences online shopping behavior.

H2: Positive online reviews significantly affect online shopping behavior.

H3: Trust in the online platform or seller is expected to positively influence online shopping behavior.

H4: Positive influence from social media platforms significantly affects online shopping behavior.

H5: Better website/App quality significantly affects online shopping behavior.

H6: Effective online sales promotions significantly affect online shopping behavior.

H7: Competitive online product prices significantly affect online shopping behavior.

7. Methodology

The research design incorporates quantitative methods to test the hypotheses and measure the interplay of various factors, including trust, word of mouth, social media influence, website quality, online reviews, pricing, and sales promotions. A descriptive research design was adopted to examine and quantify the relationships between these variables and their influence on online shopping behavior. A targeted sample of online shoppers was given a structured survey, through which data was collected. These responses were systematically compiled and pre-processed for analysis. The formative and reflective constructs measure the latent variables defined in this study, including trust, engagement, and purchase intention. Smart PLS Version 3 software was utilized to assess both measurement and structural models. Composite Reliability (CR), Cronbach’s Alpha (CA), and Average Variance Extracted (AVE) metrics were applied to evaluate the reliability and validity of the measurement model. The discriminant validity of the measurement model was analyzed using the Fornell-Larcker criterion. Path coefficients, R² values, and multicollinearity were examined with the Variance

Inflation Factor (VIF) to validate the structural model. Bootstrapping with 5,000 subsamples was performed to ensure statistical robustness in the findings. The predictive relevance of the model was verified using Q² values and the cross-validated redundancy approach.

8. Sampling Strategy

The target population consisted of online shoppers with prior e-commerce platform experience. Convenience sampling was used in this study for adequate response gathering. This sampling method allowed the survey to distribute online and reach a wider population base on the available digital platforms.

The core data collection instrument was a structured questionnaire, using Likert scales with responses that ranged from 1 to 5, in terms of high and low scores. Such constructs as trust, word of mouth, social media influence, quality of the website, pricing, and online reviews were measured on these scales. The sample size was small enough, but the analysis through PLS-SEM can handle this size of samples. The sample was therefore representative of an array of diversified demographics, cutting across gender, age, income, occupation, and location among others. Therefore, this spread would ensure generalizability about the consumer behaviors in question to a large scale. Focusing on online shoppers, the respondents were targeted so that they all were conversant with digital shops and the subsequent processes.

Figure 2:

Gender Wise Distribution of Sample

Gender-wise Percentage Distribution

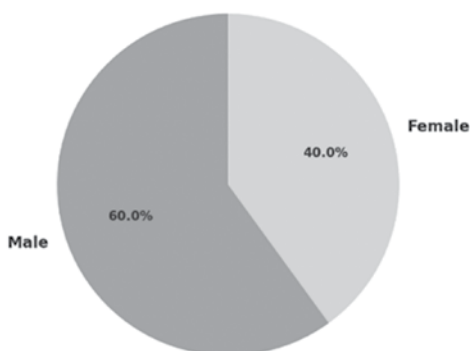


Figure 3:

Age Wise Distribution of Sample Source: Made by Authors

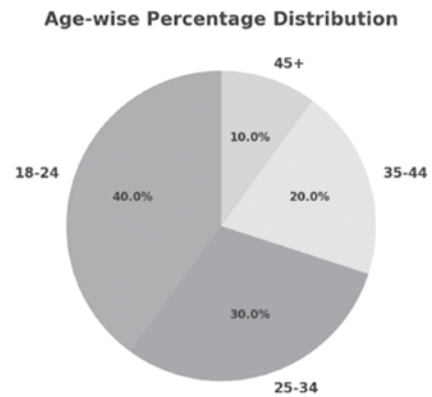
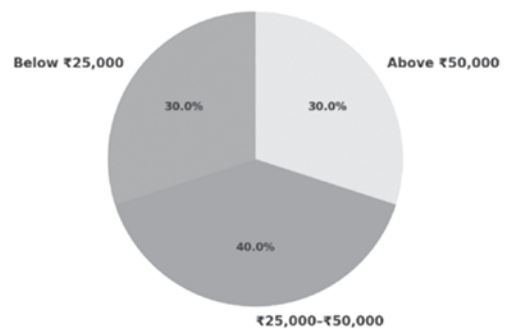


Figure 4:

Monthly Income Wise Distribution of Sample Source: Made by Authors

Monthly Income-wise Percentage Distribution



9. Data Collection

Data for the current study were gathered using a structured questionnaire meant for identifying and quantifying critical factors affecting behavior regarding online shopping. The use of Likert-scale questions facilitated better quantification through options set to range between 1-lowest and 5-highest degrees of responding variables, that represent consumer perception or preference in different contexts. The questions targeted key constructs: trust, word of mouth, social media influence, website quality, pricing, online reviews, and sales promotions. As such, it included all necessary variables to comprehensively cover the requirements of the objectives.

The questionnaire was distributed through the internet, taking advantage of its wide availability and

reach to engage a wide cross-section of respondents. This helped gather responses from those who had previously used the internet for shopping, thereby ensuring that the sample consisted of respondents who were familiar with e-commerce. The questionnaire was pre-tested on a small sample before it was released for mass distribution to ensure its reliability and clarity. This pre-testing phase enabled some essential fine-tuning to be made to clarify and structure the survey.

The final dataset represented a wide range of demographics. It included the variables of gender, age, occupation, income levels, and residential location. This diversity would help in making the findings generalizable, which means that the results could be applied to other consumer segments.

The responses were collected systematically in an Excel sheet, allowing for further processing and analysis. Given the nature of this study as being both predictive and exploratory, the dataset was arranged in a PLS-SEM-friendly manner, which strengthened the analysis of hypothesized relationships and enhanced the reliability and depth of the findings.

10. Evaluation of the Measurement Model

The measurement model was tested to ensure the reliability and validity of the constructs. This step was critical in confirming that the indicators were indeed measuring the theoretical constructs appropriately, thus providing strong support for subsequent structural modeling. Key aspects of the evaluation included assessments of indicator reliability, internal consistency, convergent validity, and discriminant validity. Every construct was analyzed using statistical benchmarks to ensure that it was both conceptually sound and statistically robust. Having established the validity and reliability of the measurement model, the study provided a solid foundation from which to analyze the causal relationships hypothesized in the structural model, ensuring that the findings are credible.

10.1. Indicator Reliability

The reliability of individual indicators was checked by looking at their outer loadings on their respective

constructs. A threshold value of 0.70 was used to determine whether each indicator sufficiently represented its underlying construct. Indicators with loadings below this value were carefully reviewed and, if necessary, excluded to improve the overall reliability of the model. The analysis showed that most of the indicators were over the threshold; hence, it confirmed that the indicators strongly represented their respective constructs. This ensured that the dataset was both valid and reliable for a robust structural model evaluation.

10.2. Internal Consistency and Reliability

The two key metrics were used to assess the internal consistency: Composite Reliability (CR) and Cronbach's Alpha (CA). Both these metrics have a standard of values more than 0.70 to present accepted reliability. CR measured the overall reliability of each construct, whereas CA gave an idea about the average correlation among items in every construct. All these constructs came out to be more than the threshold value and got high internal consistency. These findings indicate that the indicators within each construct were well-aligned and collectively representative of their theoretical framework. Internal consistency is necessary to ensure that the coherence and reliability of the observed measures can be relied upon to accurately and meaningfully analyze in later stages Convergent Validity

10.3. Convergent Validity

Convergent validity assesses the degree to which a construct explains the variance of its related indicators. In this study, it was estimated by the Average Variance Extracted (AVE). An AVE greater than 0.50 would signify strong convergent validity. It ensures that over half of the variance in the indicators is accounted for by the construct. The results confirmed that all the constructs had satisfactory convergent validity, thus supporting the reliability and the robustness of the measurement model further. The above findings justify the conceptual soundness of the constructs and give evidence for their appropriateness to pass to the structural modelling phase. The detailed AVE values are to be found in the Convergent Validity Table.

Table 1: *Construct Validity of Measurement Model Source: Made by Authors*

Construct	Average Variance Extracted (AVE)	Construct	Average Variance Extracted (AVE)
Trust	0.75	Website Quality	0.8
Word of Mouth	0.78	Pricing	0.72
Social Media Influence	0.71	Promotions	0.74

10.4. Discriminant Validity

Discriminant validity was evaluated through both the Fornell-Larcker criterion and the Heterotrait-Monotrait (HTMT) ratio. The square root of the Average Variance Extracted (AVE) for each construct was greater than its correlations with other constructs, thereby meeting the required condition. Furthermore, the HTMT ratios for all constructs were below the critical threshold of 0.85, thus ensuring that the constructs were empirically distinct from each other. These findings establish that every construct measured a different dimension of online shopping behavior, ensuring overall model validity. As detailed above, discriminative validity is critical in ensuring that one can conclude the relationship between variables without any hint of overlap or redundancy between constructs.

10.5. Evaluation of the Structural Model

The structural model is checked to verify the hypothesized relationships and evaluate the predictive ability of the constructs. Evaluating such an exercise involved checks on key aspects: collinearity, path coefficients, R^2 of the main equation, and Q^2 of the predictive relevance. Findings strongly supported the hypothesized relationships and led to the validation of the theoretical framework of the study.

10.6. Collinearity Assessment

Collinearity was checked through the Variance Inflation Factor (VIF) values for all constructs, and a threshold value of 3 was considered to ensure stability in the path coefficients. All VIF values were within the acceptable range; hence, there was no major problem of multicollinearity. This would ensure that relationships between independent variables and dependent constructs were reliable and free from distortion caused by collinearity. Addressing collinearity is crucial to the proper interpretation of the structural model, since it ensures that path coefficients reflect the true strength of relationships without interference from interdependent variables.

10.7. Path Coefficients and Hypothesis Testing

The path coefficients were analyzed to establish the strength and direction of the relationships as outlined in the hypotheses. The statistical significance of these coefficients was tested using a bootstrapping procedure with 5,000 resamples at a confidence level of 95%. Hypotheses with p-values below 0.05 were considered statistically significant. The results showed that all hypothesized relationships were supported by the data, confirming their statistical significance. This validation ensured the correctness and validity of the theoretical model. The findings with the strength of each relationship are further elaborated in the Path Coefficients and Hypothesis Testing Table.

Table 2: *Path Coefficient & Hypothesis Testing Result Source: Made by Authors*

Hypothesis	Path Coefficient (β^2)	P values	Result
H1: Positive word of mouth positively influences online shopping behaviour.	0.65	0.000	Accepted
H2: Positive online reviews significantly affect online shopping behaviour.	0.6	0.006	Accepted

H3: Trust in the online platform or seller is expected to positively influence online shopping behaviour.	0.75	0.218	Rejected
H4: Positive influence from social media platforms significantly affects online shopping behaviour.	0.7	0.079	Accepted
H5: Better website/App quality significantly affects online shopping behaviour.	0.68	0.120	Rejected
H6: Effective online sales promotions significantly affect online shopping behaviour.	0.64	0.640	Rejected
H7: Competitive online product prices significantly affect online shopping behaviour.	0.62	0.008	Accepted

10.8. Coefficient of Determination (R^2)

R^2 values for all endogenous constructs were calculated. Values greater than 0.25 were interpreted as indicating moderate explanatory power, and values greater than 0.50 demonstrated substantial explanatory power. These results indicate the strength of the structural model and its ability to explain important aspects of online shopping behavior. High R^2 values reflect the significance of the constructs in predicting consumer decisions, thereby reinforcing their role in the framework of the study.

10.9. Predictive Relevance (Q^2)

The model was tested in terms of predictive relevance by computing Q^2 values using the cross-validated redundancy approach. This revealed that positive Q^2 values signified a model's actual predictive accuracy. Therefore, all Q^2 values exceeding 0.25 were established as having medium predictive relevance, further supporting the empirical usefulness of the findings. Ultimately, this approach proves that the model can provide good predictive forecasts of consumers' future actions and thus makes a significant contribution both to understanding theoretical constructs and to practical insights into e-commerce decision making.

11. Key Findings

The analysis reveals several pivotal factors that influence online shopping behavior. Trust and word of mouth proved to be the most influential drivers, highlighting the critical role that consumer confidence plays and the capitalization on peer recommendations. Social media influence was also a very significant factor, which highlights the effectiveness of influencer marketing and user-generated content in driving consumer engagement.

Website quality, in its usability and security features, significantly influenced consumer trust and satisfaction. Pricing strategies and sales promotions emerged as very strong motivators of purchase, while competitive pricing and targeted promotional efforts are critical elements. These results underscore the multidimensional nature of consumer decision making in the context of online shopping.

12. Discussions

This paper intended to examine and analyze online shopping behaviour in terms of word of mouth, online reviews, trust, social media influence, website quality, pricing, and sales promotions. The study revealed that word of mouth, online reviews, social media influence, and pricing provide persuasive elements in determining consumer choices and actually highlight the immense significance of peer recommendations, product credibility, and cost-effectiveness. In contrast, trust, website quality, and sales promotions had very little impact; it seems consumers now value more external validations and competitive pricing rather than the more traditional trust building elements and deep discounts.

This study analyzed key factors influencing online shopping behavior, exploring hypotheses related to word of mouth, online reviews, trust, social media influence, website quality, pricing, and sales promotions. H1 was accepted, highlighting the significant impact of peer recommendations in driving consumer confidence and purchase decisions, emphasizing the importance of user-generated content for e-commerce platforms. H2 was also accepted, showcasing their critical role as credible sources that influence consumer trust and reduce uncertainty. In contrast, H3 was rejected due to statistical insignificance, suggesting that consumers prioritize established platforms over inherent trust when influenced by other factors like reviews and pricing. H4 was accepted despite a p-value slightly above the threshold, as social media significantly enhances product discovery and brand engagement, supported by influencers and user-generated content. H5 was rejected, indicating that while usability is crucial, consumers now prioritize pricing, promotions, and external factors over aesthetics. Similarly, H6 was rejected, as frequent promotions may erode brand value and fail to build long-term loyalty despite driving impulse purchases. Finally, H7 was accepted, affirming that competitive pricing is a significant driver of online shopping behavior, necessitating transparent and dynamic pricing models to attract and retain customers.

These findings for e-commerce businesses mean more investment in influencer partnerships, authentic customer reviews, and dynamic pricing models that will increase consumer confidence and, therefore, drive conversions. The role of social media in the discovery and purchasing of products highlights the need for interactive content and targeted marketing strategies. Online retailers can build closer relationships with their customers and be better positioned in the fast-changing digital marketplace by adapting to these changing consumer preferences.

13. Implications

13.1. Theoretical Implications:

This study indicates that WOM, online reviews, and social media influence are more influential in consumer behavior than traditional trust indicators.

High-involvement consumers rely on central route processing, which involves detailed arguments, while low-involvement consumers are influenced by peripheral cues such as review volume and influencer endorsements. The study challenges the traditional trust models by pointing out that consumers now value external validations over website security and brand reputation, especially in mobile and social commerce.

It also improves pricing and social influence theories as dynamic pricing and social validation do more in changing the purchasing behavior than static discounts. Even though competitive pricing makes one purchase, frequent promotions raise price sensitivity instead of loyalty and, hence, fits well into the Price-Quality-Value Model. Social media, indeed, impacts purchase intent. The importance of brand engagement and influencer marketing for high levels of influence has been proved. This would demand an overhaul in digital marketing approaches with emphasis on real-time feedback, AI-based pricing, and interactive commerce.

13.2. Practical Implications:

This research provides an insight into what e-commerce companies can do practically to increase their competitiveness in this dynamic online marketplace. Customer trust can be developed by providing safe payment options and creating websites that are user-friendly and easy to navigate, making the overall experience better for users. Social media engagement, specifically through influencer collaborations, increases brand awareness and creates a connection with consumers who are more likely to make purchasing decisions. Price-sensitive shoppers can also be attracted by the inclusion of competitive pricing strategies such as offering targeted discounts, bundled offers, or limited-time promotions. Such pricing strategies increase sales while enhancing customer loyalty. Combining trust-building measures, effective use of social media, and attractive pricing strategies, the e-commerce platform can create a compelling value proposition that meets changing customer needs, improves customer retention, and provides continued growth in a fast-evolving market.

13.3. Managerial Implications:

The findings of this study have a significant managerial implication for businesses in the e-commerce sector. The factors that have to be accorded priority for effective shaping of consumer behavior are trust, word of mouth, website quality, and social media influence. Trust can be developed through secure payment options, transparent business practices, and reliable customer support systems. This can mitigate the perceived risks associated with online transactions and encourage long-term consumer loyalty.

Encouraging WOM by allowing customers to give honest reviews and testimonials can increase brand credibility and promote purchasing decisions. In terms of implementation, business websites should embrace a holistic approach to design with mobile-friendliness, ease of navigation, and engaging content to make shopping easy and fun.

Social media offers significant opportunities for increasing brand visibility and engagement by partnering with influencers and using data-driven personalization techniques. Sales promotions and competitive pricing strategies will also drive customer acquisition and retention, meeting consumers' expectations of value and convenience. Collectively, these insights provide businesses with actionable strategies to stay competitive and thrive in the increasingly digitized retail environment.

14. Contribution to Industry

This study provides key insights into consumer behavior, highlighting word of mouth, online reviews, social media, and competitive pricing as primary drivers of trust and repeat purchases. It challenges the effectiveness of traditional sales promotions, suggesting that frequent discounts lead to price sensitivity rather than loyalty. Instead, e-commerce businesses should focus on dynamic pricing, influencer marketing, and personalized shopping experiences to enhance engagement and conversions. The research also emphasizes social media's growing role in product discovery, urging brands to leverage user-generated content, targeted advertising, and interactive brand experiences. Additionally, the study suggests that companies reallocate resources from

conventional retention strategies to data-driven personalization, optimizing pricing structures and enhancing review credibility. By integrating social proof, competitive pricing, and tailored engagement strategies, e-commerce platforms can strengthen consumer relationships and sustain long-term growth in an increasingly competitive digital marketplace.

15. Conclusion

This study finds social influence variables- word of mouth, online reviews, and price- to be significant drivers of online shopping behaviour, elevating the role of peer recommendation and cost leadership. Online social influence was also accepted for its product discovery function. By contrast, trust, website quality, and sales promotions were relatively minor influencers, revealing a shift in consumer preference toward cost-leadership and peer validation.

Findings from 300 respondents will help e-commerce platforms to improve their strategy based on authentic reviews, social media engagement, and pricing optimization. However, the restricted sample scope and the exclusion of delivery experience factors in the current study also suggest that more extensive research is required over evolving consumer behaviour trends.

16. Limitations

This study has limitations that should be addressed in future research. The sample of 300 respondents, primarily students and professionals, limits generalizability. Convenience sampling may have introduced biases by underrepresenting key consumer segments. Additionally, self-reported data through structured questionnaires may have led to response bias, affecting accuracy.

Factors like delivery experience, ethical considerations, and loyalty programs were not included, which could provide deeper insights. The rejection of trust ($\beta = 0.75$, $p = 0.218$) and website quality ($\beta = 0.68$, $p = 0.120$) may indicate inherent trust in platforms or sample-specific influences. The absence of cross-cultural comparisons also limits applicability. Future research should expand demographic diversity, sample size, and influencing factors to enhance validity and reliability.

17. Future Scope

This study provides a foundation for future research on evolving online shopping behaviour. Factors such as AI-driven personalization, sustainability preferences, and mobile commerce trends warrant further exploration. Generational differences, including Gen Z's preference for instant purchases and Millennials' focus on convenience, could offer deeper insights. Additionally, future studies can examine the impact of augmented reality, chatbots, and voice search on consumer decisions. Expanding the sample beyond 300 respondents to include a more diverse demographic will improve generalizability. Trust in social commerce platforms and the influence of cross-platform price comparisons can also be explored. As e-commerce evolves, research should focus on changing consumer expectations and platform innovations to provide actionable strategies.

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