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Personality Traits of Online Customers Based on Demographic Profile

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Abstract

The world economy has become a digitalized economy and online savvy. Due to high internet penetration and e-commerce boom on one end, smart phone and tablets become connectivity links for communication and trade. Convenient shopping through online is spreading across widely due to the time constraints and tech savvy culture. For the online marketers, understanding online consumers has become a routine and important aspect. Hence, KYC "Know Your Customer" is become the order of the day. This research paper has the objective to understand the personality traits of the online customers based on certain demographic variables in Coimbatore district.

Key Words: *E-Commerce, Personality traits and Online shopping*

INTRODUCTION

As customers increasingly turn to the Internet and smart phones for purchasing decisions, economies are seeing brick and mortar evolve into "click and order," and e-commerce become intertwined with M-commerce. E-commerce presents countless opportunities for retailers and brands, so businesses seeking to take advantage of the benefits must also address some tough decisions — site design, mobile and social media strategies, customer service and product pricing, to name a few. Last year, most online retailers make a beeline for

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guest blogging, website optimization for higher CTR & conversation rates, responsive design, and general improvement in site performance. It takes a dedicated salesperson to succeed in e-commerce, and that means staying on top of current marketplace trends.

Electronic commerce is generally considered to be the sales aspect of E-business. It also consists of the exchange of data to facilitate the financing and payment aspects of business transactions. This is an effective and efficient way of communicating within an organization and one of the most effective and useful ways of conducting business. It is a market entry strategy where the company may or may not have a physical presence. The terms "e-commerce" and "e-business" both refer to the way the internet can be used to do business and can offer huge opportunities to e-commerce businesses in the global marketplace

With changes in consumer behaviour and technology to aid online retail, Indian e-commerce market is likely to witness a paradigm shift – The Indian e-Commerce market has bucked all the odds of an uncertain macro-economic environment and fast changing consumer preferences. In 2013, the Indian e-tailing market recorded a sequential growth of 88%, with transactions valued at $16 billion, according to a recent report by industry body, Associated Chambers of Commerce and Industry of India (ASSOCHAM)

PERSONALITY TRAITS AND BUYING BEHAVIOR

Personality of an individual plays a vital role in consumer's purchase decisions and their purchase decisions are induced by marketing strategies. Hence this research study is to find the influence of online customer's buying behaviour based on big five personality traits of the respondent. For testing the personality trait, John & Srivastava's (1999) "big five personality trait taxonomy model" was used.

BIG FIVE PERSONALITY TRAITS

The Big Five trait was originally derived in the 1970's by two independent research teams -- Paul Costa and Robert McCrae (at the National Institutes of Health), and Warren Norman (at the University of Michigan)/Lewis Goldberg (at the University of Oregon)

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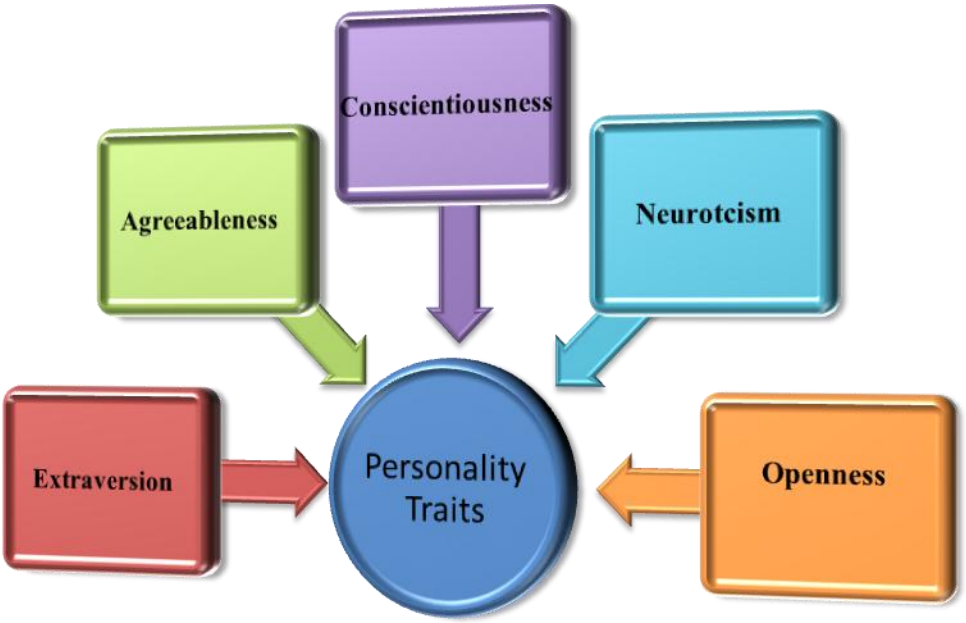


Figure: 1

Personality of a person plays a very important role in consumer's buying decisions. Through promotion and advertising communications, marketers try to appeal to consumers based on the personality characteristics of their potential customer. They think that personality factors control to a great extent what consumers pay for, as well as when and how they use consume products and services. Even online, customers disclose much information regarding their "self-concept" as they visit different websites. With technology such as tracking cookies, marketers are empowered to find out a particular kind of personality-linked traits based on consumers' online identities, or "footprints."

While researchers can determine, quite easily, shopper behaviors from self-report data, it is almost impossible to obtain reliable data on why shoppers buy what they do. How then can we predict why consumers make the decisions they make? If we use the help of psychometrics and personality psychology we will know how to predict motives, but only if the motive for a decision is connected to a psychological trait.

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Current advances in personality psychology have the capable to help us forecast consumer motivation. Traits are defined as "enduring and stable patterns of behavior, attitudes, emotions, that vary between individuals". Traditionally, researchers were paying attention in understanding how individuals vary, and so they did a big deal of effort into finding out how to measure, map, and define personality traits. In the mid 1990's, an agreement was reached regarding a universal structure of personality. Now nearly all personality psychologists have the same opinion that the Big Five should be the universal frame for personality. Researchers are now trying to re-conceptualizing what traits are they and from where they come with traits being understood as chronic motivators that impel decision-making.

These entire advances provide how to see consumers' motive; consider personality traits as a back door to understanding motive for client behaviour. As a result of personality traits and shopper behaviors will be measured accurately, understanding the relationships between the traits and behaviors permits an investigator to know the motive for getting while not having to ask individuals for this data. Once an attribute is correlates with a shopper behavior, it will be inferred that no matter motivation this attribute is connected to be that the motivation for that behavior.

Personality is nothing more than a tendency to behave in a certain way that persists across the lifespan. Think of personality as the building blocks of who you are. "The Big Five" is a theory of personality that identifies five distinct factors as central to personality: Openness to Experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism.

i) ***Openness to Experience***

Openness to experience focuses on the admiration of art and beauty and welcome to innovation. The facets of openness to experience include. Individuals who attain high score on openness to experience be likely to be very creative and open to new ideas and activities. They typically own a rich and satisfying internal life; commonly spend their time thinking about concepts and meditating on artwork newly seen or intellectual theories newly learned. Those who achieve low on openness to experience are more inclined toward conventional thought. Their ranges of interests are typically narrower and they tend to be more down to earth.

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ii***) Conscientiousness***

Conscientiousness is more organization and perseverance. People having high scorers on conscientiousness have a tendency to be incredibly trustworthy and hard working. High scorers create many to-do lists and breaking down large goals into attainable steps. They rely greatly on organization and take a systematic way to achieve their goals. They are willing to give an mammoth quantity of effort to succeed. Those who achieve low score on Conscientiousness tend to be more impulsive and easy going. Impulsiveness typically characterizes their approach to academic along with vocational situations. They do with the flow and shy away from schedules and concrete plans.

iii) ***Extraversion***

Extraversion means which focuses on sociability and where persons get their energy from. The low scores means on this dimension likely to indicate a more internal source of energy, while high scores denote an external source of energy. Persons who achieve high on extraversion be likely to prefer to be in the company of other people. They are habitually described as the "life of the party". They want to be in the spotlight and often engage in thrill-seeking behaviors. They leave social situations feeling excited and full of energy. Low scorers on extraversion tend to be more introverted or reserved in nature. Being surrounded by people leaves them feeling worn out and tired. They wish more solo pursuits, such as reading. Their lifestyles are more slow and conscious, and they possess an inclination towards quietness.

iv) ***Agreeableness***

Agreeableness defined which give more importance to trust, honesty and compliance. Persons have high agreeable tend to be more straightforward and tolerant by nature. High scorers on agreeableness are typically more mild-mannered interpersonally. They try to find for the best in everyone they meet and hold loyalty to the highest standard. This kind of people can be counted on to be generous, honest, dependable, and very concerned about the well-being of others. Person who score low on agreeableness tent to be more doubtful of the motives of those they encounter.

They are quite pessimistic and cynical about the world around them. Additionally, they are more willing to use sweet talk or cunning to get support from others.

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v) ***Neuroticism***

Neuroticism shows which give importance to the experience of negative emotions. Persons who have high neurotic trait tend to be more prone to mood swings and negative emotions very intensely, have difficulty controlling these emotions when they face with such problems. They are more prone to psychological agony than individuals who score lower on this traits and tend to pay a significant amount of attention to their own behavior in interpersonal situations. Low scorers on neuroticism are typically more stable in their experience of emotions. They are more calm and relaxed in times of stress and tend to be quite slow to anger. They usually trust their ability to handle stressful situations and do not internalize awkward social situations.

All this classification will help marketers to better classify the customers for a better and precise framing of personalization strategy. Impulse buying behaviour is generally influenced by personality traits that are experienced by consumers in his/her purchases. In this context some researchers (Rook & Fisher, 1995; Sharma, Siva kumaran, & Marshall, 2010) have done lots of effort to verify that if people who frequently engage in this behaviour have some common personality traits

REVIEW OF LITERATURE

Udo-Imeh, (2015) , in this research paper "Influence of Personality on the Buying Behaviour of Undergraduate Students in Universities in Cross River State, Nigeria" researchers try to understand effect of personality over buying behaviour among Nigerian university students with a sample of 323 by using multiple regression. Results show like this 73% variation in buying behaviour is explained by personality. Extraversion and conscientiousness positively related to buying behaviour.

Tsao & Chang, (2010) , in these research paper "Exploring the impact of personality traits on online shopping behavior" researchers try to find out the impacts of personality traits of E-shoppers on their purchase behaviour. With a sample of 429 and by using Structural Equation Modeling was used for analysis. Finding from the study was like when the consumers have higher degree of neuroticism, agreeableness personality traits they tend to be utility-motivated to shop online.

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A Bellamy & Juli becker (2015) in their research paper "An exploratory analysis of the relationships between personality characteristics and the perceptions of virtual merchandising" try to find out how personality factors affect online shoppers buying attitude. 81 samples were selected from a mid western university a purposive convenient sampling method were used. Regression used for analysis and it was found that personality trait Neuroticism and Extraversion have a strong relation with online shoppers buying attitude.

OBJECTIVES OF THE STUDY

- To study the difference of the demographic profile of the respondents with that of their personality traits.

RESEARCH METHODOLOGY

The nature of the research is descriptive as the objective of the study is to examine is there any significant difference in the personality traits of online shoppers. The study was conducted within the limitation of Coimbatore district by applying convenient sampling method with a sample size of 165.

Sample size is calculated by the method of power analysis with the help of G*Power software, G*Power is an excellent freeware program that allows high-precision power and sample size analyses It computes power values for given sample sizes, effect sizes, and alpha levels (Buchner et al, 1997) . Below graph is the sample size calculated for this paper.

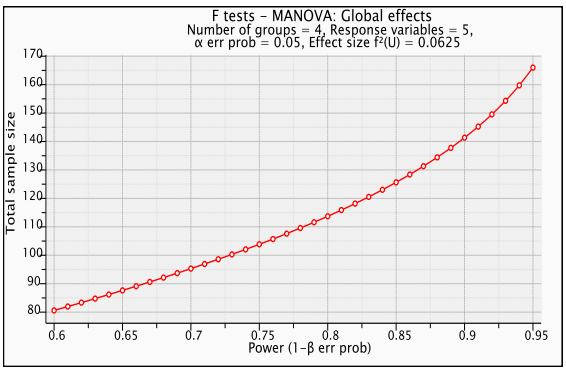


Figure: 2

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The questionnaire contain two parts first part consist of nominal question like Gender, Age, Education qualification, designation and the second part consist of continues scale question for personality traits, for the personality traits questionnaire was a preexisting one adopted from John & Srivastava (1999).

ANALYSIS AND FINDINGS

MANOVA (Multivariate Analysis of Variance) used as a statistical tool for analyze.

Multivariate Analysis of Variance (MANOVA) between Age, Occupation, Income of respondents with online shopper's Personality traits.

The one-way MANOVA is used to determine whether there are any difference between independent groups on more than one continues dependent variable .

The first background characteristics chose for compare online shopper's personality traits with different level of Age, Occupation and Income of online shopper's. To test the hypothesis, Multivariate Analysis of Variance (MANOVA) has been used as there are more number of inter correlations between the dependent variables (Malhotra, 2004). Individual tests such as the independent sample 't' test of One Way ANOVA ignore the correlations among the independent variables and in the presence of multi collinearity among the dependent variables, MANOVA is more powerful than the separate univariate tests (Hair, Black, Babin, Anderson & Tatham, 2008). Moreover, this technique is selected over Independent Samples T – Test or ANOVA because the multivariate formula for 'F – static' was based not only on the sum of squares between and within groups as in ANOVA but also on the sum of cross products. That is, it takes covariance into account as well as group means among the dependent measures.

Ho_1: There is no significant difference among online shopper's personality traits with respect to their Age.

Ho_2: There is no significant difference among online shopper's personality traits with respect to their Occupation.

Ho_3: There is no significant difference among online shopper's personality traits with respect to their Income.

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H1$_1$: There is a significant difference among online shopper's personality traits with respect to their Age.

H1$_2$: There is a significant difference among online shopper's personality traits with respect to their Occupation.

H1$_3$: There is a significant difference among online shopper's personality traits with respect to their Income.

The variables that entered the MANOVA model are Age, Occupation and Income of customer's with Personality Traits of online shopping. The age, Occupation and Income of customer's as fixed factors and the Personality traits as dependent variables.

There are four different test statistics namely, Pillai's trace, Wilk's Lambda λ, Hotelling-Lawley's trace, Roy's Greatest Root, each with its own associated F statistic. Pillai's Trace is the most robust of the four tests, since it is least sensitive to departures, from the assumptions (Olson, 1976; Johnson, & Wichern, 2002) and Hotelling's Trace is the most common and traditional test, where the independent variable is formed of two groups. Wilk's Lambda is the most common and traditional test when there are more than two groups formed by the independent variables and Roy's Largest Root is seldom used. A perfect fit model will generate all the four test statistic give identical F values while in this model all four statistics has produced different F values.

Multivariate Analysis of Variance (MANOVA) between different Age group, Occupation Category and Income level with online shopper's different Personality traits.

Table 1 Multivariate Tests for different Age group with different dominating Personality traits.

Multivariate Tests						
Effect		Value	F	Hypothesis df	Error df	Sig.
Age	Pillai's Trace	0.06	2.63	15	2010	0.00
	Wilks' Lambda	0.94	2.63	15	1844.46	0.00
	Hotelling's Trace	0.06	2.63	15	2000	0.00
	Roy's Largest Root	0.03	4.15	5	670	0.00

*significant at 0.05% level of significance

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Table 2 Multivariate Tests for different Occupation group with different dominating Personality traits.

Multivariate Tests						
Effect		Value	F	Hypothesis df	Error df	Sig.
Occupation	Pillai's Trace	0.08	2.75	20	2680	0.00
	Wilks' Lambda	0.92	2.77	20	2213.14	0.00
	Hotelling's Trace	0.08	2.79	20	2662	0.00
	Roy's Largest Root	0.06	7.79	5	670	0.00

*significant at 0.05% level of significance

Table 3 Multivariate Tests for different Income group with different dominating Personality

Multivariate Tests						
Effect		Value	F	Hypothesis df	Error df	Sig.
Income	Pillai's Trace	0.07	2.51	20	2680	0.00
	Wilks' Lambda	0.93	2.52	20	2213.14	0.00
	Hotelling's Trace	0.08	2.53	20	2662	0.00
	Roy's Largest Root	0.05	6.50	5	670	0.00

*significant at 0.05% level of significance

On examination of above table 1, it is seen that F – value (=2.63; p = 0.000) is significant at 0.05 level. Hence, in this case, the researcher performed further follow-up tests such as the tests of between-subject effects.

On examination of above table 2, it is seen that F – value (=2.77; p = 0.000) is significant at 0.05 level. Hence, in this case, the researcher performed further follow-up tests such as the tests of between-subject effects.

On examination of above table 3, it is seen that F – value (=2.52; p = 0.000) is significant at 0.05 level. Hence, in this case, the researcher performed further follow-up tests such as the tests of between-subject effects.

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Since the result of the MANOVA are significant, the 'test of Between Subjects Effecte' (univariate results) are examined to determine whether the independent variable are significant for Online shoppers Personality traits. Below table shows the results of the test of between subject effects.

Showing the ANOVA results (the Test of Between-Subject Effects) for personality traits factors Extraversion, Agreeableness, Conscientiousness, Neuroticism and Openness affect across different levels Age, Occupation and Income of the online shoppers.

Table No: 4 showing the ANOVA Results (The Tests of Between-Subjects Effects) for different personality traits Affect in Customers across Different Age Group

Tests of Between-Subjects Effects						
Source	Factors	Type III Sum of Squares	df	Mean Square	F	Sig.
Age	Extraversion	5.86	3	1.95	4.85	**0.00**
	Agreeableness	3.31	3	1.10	3.03	**0.03**
	Conscientiousness	6.02	3	2.01	5.12	**0.00**
	Neuroticism	5.88	3	1.96	3.38	**0.02**
	Openness	3.34	3	1.11	2.59	0.07

*significance at 0.05%level

Table No: 5 showing the ANOVA Results (The Tests of Between-Subjects Effects) for different personality traits affect in Customers across Different Occupation Group of Occupation

Tests of Between-Subjects Effects						
Source	Factors	Type III Sum of Squares	df	Mean Square	F	Sig.
Occupation	Extraversion	5.83	4	1.46	3.62	**0.01**
	Agreeableness	8.54	4	2.13	5.98	**0.00**
	Conscientiousness	10.51	4	2.63	6.80	**0.00**
	Neuroticism	6.69	4	1.67	2.89	**0.02**
	Openness	1.00	4	0.25	0.58	0.68

*significance at 0.05%level

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Table No: 6 showing the ANOVA Results (The Tests of Between-Subjects Effects) for different personality traits affect in Customers across Different Occupation Group of Income

Table 6Tests of Between-Subjects Effects of Income

Tests of Between-Subjects Effects						
Source	Factors	Sum of Squares	df	Mean Square	F	Sig.
Income	Extraversion	7.35	4	1.84	4.58	**0.00**
	Agreeableness	8.87	4	2.22	6.23	**0.00**
	Conscientiousness	6.31	4	1.58	4.02	**0.00**
	Neuroticism	7.64	4	1.91	3.30	**0.01**
	Openness	1.84	4	0.46	1.06	0.37

*significance at 0.05%level

On examination of the above table number 4, it is found that there is a significant difference in personality of online shoppers. Extraversion (F=4.85, P=0.00), Agreeableness (F=3.03, P=0.03), Conscientiousness (F=5.12, P=0.00) and Neuroticism (F=3.38, P=0.02) so null hypothesis has to be reject. It was found that there is no significant difference in the opinion of Openness trait predomination online customers by their Age (F=2.59,P=0.07) in this particular case alone null hypothesis has to be accept.

On examination of the above table number 5, it is found that there is a significant difference in personality of online shoppers. Extraversion (F=3.62, P=0.01), Agreeableness (F=5.98, P=0.00), Conscientiousness (F=6.80, P=0.00), Neuroticism (F=2.89, P=0.02) so null hypothesis have to be reject and it was found that there is no significant difference in the opinion of Openness trait predomination online customers by their Occupation (F=0.25, P=0.68) so this null hypothesis has to accept.

On examination of the above table number 6, it is found that there is a significant difference in personality of online shoppers. Extraversion (F=3.62, P=0.01), Agreeableness (F=5.98, P=0.00), Conscientiousness (F=6.80, P=0.00), Neuroticism (F=2.89, P=0.02) so null hypothesis has to be reject and it was found

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that there is no significant difference in the opinion of Openness trait predomination online customers by their income (F=0.25, P=0.68) so this null hypothesis has to accept.

All the three demographical factors Age, Occupation and Income significantly differ with customer's personality traits except Openness trait. Different group in Age, Occupation and Income show different dominating personality traits, so marketer has to understand the customers in framing the strategies.

CONCLUSION

It was all ways a challenge for marketers to understand what a customer need and want. To improve marketers understanding about customers it is always better to understand customers' personality. This study was carried out to understand, is there any significant difference in customers dominating personality traits based on Age, Income and Occupations. It was found that apart from Openness personality trait, the other four personality traits differ significantly. So marketers have to implement different marketing strategies to influence customers to buy based on their dominating personality traits. Hence it is need for the marketer to know the personality trait of the customers in framing online marketing strategies. Online marketing strategies influence purchase decisions among the customers, hence, understanding the customer will help them in framing right strategies.

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