New Era of Online Shopping: Opportunities Ahead in India

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ABSTRACT:

The internet is modernizing the way business is being conducted, and its use in marketing is becoming critical tool of success of the firm. Internet marketing is having different names i.e. web marketing, e-marketing / online marketing. Internet has become a pervasive tool, which is being used by companies in order to increase the sales and capture the market, and also it has a competitive advantage. Growth of internet and mobile has led the consumers to change their behavior with respect to online marketing. Online companies, who are in B2B or B2C business, understand the consumer behavior pattern and gives importance to the innovative ideas, latest fashions, trends, etc. For the past couple of years, online shopping was not so common among Indian consumers, who are still very conservative in purchases. But, there are some positive sign for online marketers in India.

Online shopping is new concept for the Indians, as in conservative style people go to the market, see the items-touch them-bargains and then purchase it. Though online shopping is easy, comfortable and better than conventional shopping due to various factors. Most of the consumers hesitate not to do shopping online, because of the insecure payment and transactions systems, and of course the items are not seen / touched physically. This paper discusses the impact of online shopping on consumers, challenges faced by customers and opportunities lying ahead.

KEY WORDS: Internet, Online Shopping, Traditional Shopping, Consumer, and Technology.

INTRODUCTION:

Michael Aldrich of UK, invented and pioneered the idea of online shopping, which boomed and got popular as time passed, throughout the world people and companies too realized the importance and affective punch of online shopping, in India the online shopping is gaining popularity. If we compare both type of shopping i.e. online and traditional, the online shopping is better than traditional one as everything is available to us at just with the click of the mouse. Here the consumers need not to go to the market, and need not to waste time and money (conveyance of petrol / diesel) for comparing from different shops, etc. There are many online shopping portals in India from where anyone can purchase, compare the goods and order the same i.e. Homeshop18.com, Flipkart.com, Yebhi.com, Myntra.com, Shopclues.com, and Snapdeal, etc. with them there are foreign giants i.e. Amazon.com, and Alibaba.com, etc. has made entry into the Indian market too to tap the vast resources. Online shopping is beneficial to the buyers and sellers, as buyers get the maximum discount, different varieties; easy comparison, etc. and the latter ones collect detailed information and study about the product's response and comments / reviews of users. The number of Internet users is constantly increasing, which is also significance that online purchasing is increasing rapidly (Joines, Scherer & Scheufele, 2003) Online shopping is like a vast ocean that provides each and every thing we want from minor to major things i.e. books, grocery, electronics, fashion apparels, footwear etc.

Technology plays a crucial role in the development and growth of any business. In the research conducted by Khan and Mahapatra (2009) they advocated that technology brings and enhance the quality of services. After industrial and

agricultural revolution, internet revolution has changed the world, it brought down the time and distance gap. As the internet users are growing, with the mobile / computer users, the online shopping craze will also grow. This opportunity will be tapped by the marketers, and it will be a cutting edge for the some of the business houses.

The benefit of online shopping is that it reduces the cost of warehouse, employees, and commissions. While on the other hand in traditional shopping, a product's cost is escalated to 50% due overheads and also, several people are involved in the chain i.e. wholesalers, retailers, etc. In the internet shopping, the business house transfers the benefits (by offering discounts) to the consumers otherwise it would have gone as overhead expenses in traditional shopping methods. This makes a product cheap and attracts the consumer, the omnipresent nature of the internet and its wide access has made online shopping an effective mode of communication between businesses and customers (Rowley 2001). (Thompson 2005) advocated that online shopping has enormous potential as it brings down the cost of the product and delivers the product quickly forgetting the geographical boundaries.

The main role is branding of any online shopping portal, it is very important as the consumers will only be attracted towards more popular sites. The name and logo of the company, the persons who are endorsing the site as ambassadors, the after sales services, etc. are the crucial points, where cut throat arises among the competitors. Consumers prefer to purchase from the well known, tested and reputed online shopping portals / companies. People, avoid many sites / portals due to lack of trust, and privacy issues (Ipsos Reid 2002). In India, the online shopping is new, even today people who are techno savvy and are using the internet prefer to purchase the goods from malls or markets. Major hurdle is trust, once trust is gained by any company, than mouth publicity plays the major role. But gaining Indian people's trust is a major challenge as they are very smart and play consciously while purchasing. Traditional retailers have established names, in the local area thus having advantage over their counterpart's i.e. internet based shopping companies, as people have more faith / trust as they are with them for years.

Online companies wish to maximize the breadth (time spent on a site) and depth (number of pages viewed) of visits by the prospective customers on their website, additional to this each company also want that customers must visit their sites once again / repeat visits rate should be increased. Chang (2000) proposed that there were three major mechanisms to a consumer's online shopping experience: quality (interface, encounter, and fulfilment). To build trust and brand equity, organizations need to ensure distinction in all three of these dimensions.

Trust / faith are the basic and indispensable element for building a association with customers. It is true that people have lower level of trust on online shopping than the face-to-face interactions they have in the physical store (Cassell and Bickmore, 2000), The trustworthiness of E-commerce web site is very relying on the how much privacy security can be provided. Bhatnagar et al. (2000) identified two major types of risk: product category risk and financial risk. Product category risk focuses on the product itself and is allied with the customer's faith as to whether the product functions according to their expectations. Financial risk corresponds to the internet as a safe purchasing medium for customers. It is involved in the operation whether there might be a risk of losing money via credit card fraud.
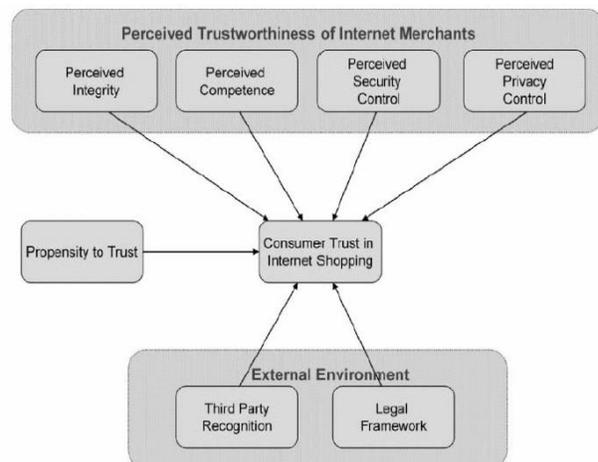
Model of Consumer Trust in Internet Shopping

The use of the internet empowers the customers because they freely surf the websites, portal, and compare the offers find out the lowest offerings for a particular product or service. The other benefit is that it reduces cost (time and money) of searching a particular product or its information. (Quelch and Klein, 1996). Khan and Mahapatra (2009) came to a point after their research that online shopping is based on the infrastructure of internet and its services. In other words the quality of internet banking services, its speed and its privacy policies, etc. are the primary base for the success and penetration of any company. Malhotra and Singh (2007) in their research, found the Indian banks adopting i-banking services and giving due importance to it, due to the competition among the private banks and secondly giving their customers better / fast services of transactions. Zia and Manish (2012) proposed that e-commerce revenue in India will increase by more than five times by 2016, jumping from US$1.6 billion in 2012 to US$8.8 billion in 2016. (Chart shown below)

Forecast: India Online Retail Revenues (B2B and B2C)
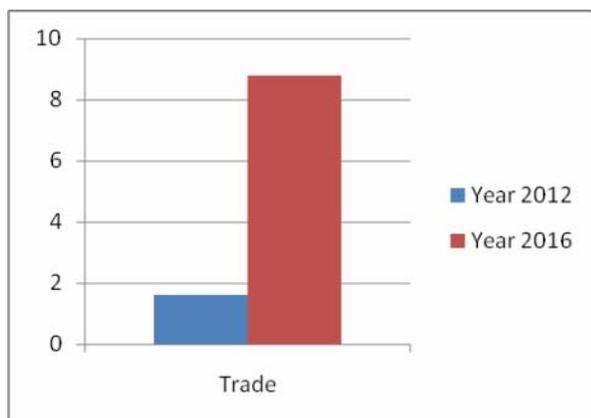
Internet allows customers to do shopping online anytime and anywhere. People are free to surf, it removes the barriers of time and distance, which means customer can shop online 24x7 days from his / her home or office, which gives the freedom to those people who are time-starved. Online shopping and traditional shopping have similarities and have differences between them, such as the online shopping provides convenience and interactive

services (Jarvanpaa and Todd, 1997), and the traditional shopping gives comfort, satisfaction, shopping environment (Lee and Chung, 2000).
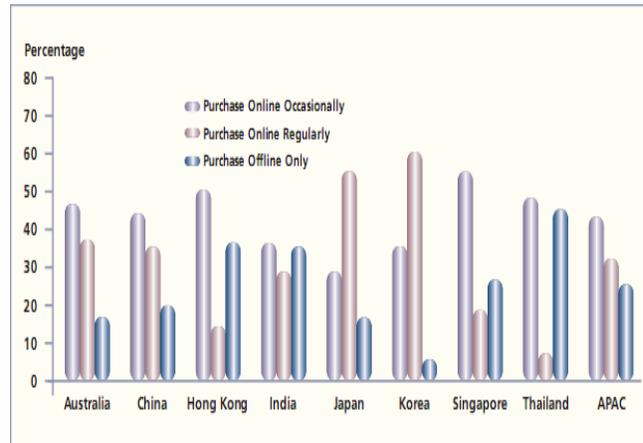

The above mentioned graph (source: Master Card's survey findings conducted by IPSOS) shows people of several countries involved in the online purchases, the citizens of Korea, purchase the products through online on regular basis, then comes the citizens of Japan. The most active shoppers are from South Korea (4.8) and Japan (3.7). The least are the citizens of Thailand, where people don't prefer to purchase the products through online.

The above mentioned graph (source: Master Card's survey findings conducted by IPSOS) shows that security is the top concern for online shoppers throughout the world. Here in the report, 65% of users hesitant to shop online because they fear that online transactions are unsafe. It is seen that people of India, Hong Kong, and Thailand prefer the traditional method

where they used to see the product physically, but during online this freedom / option is not available, hence some dissatisfaction is present. In general people prefer to pay through their credit cards, with exceptions of some people pay through debit cards. In India, people who do not want to divulge the credit / debit card informations, or they fear have a easy option, that is going common i.e. 'payment on deliver' option.
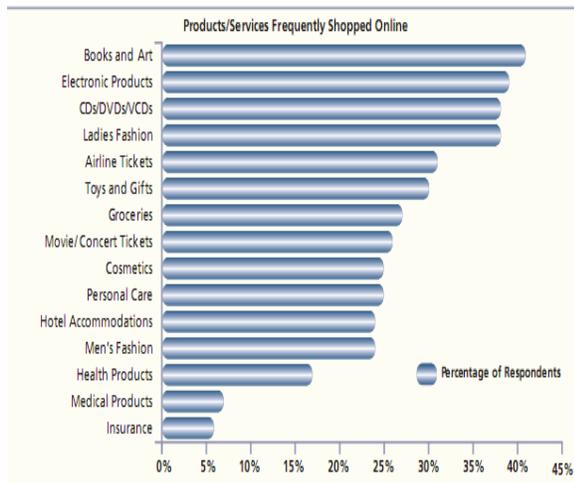
(Source: Master Card's survey findings conducted by IPSOS)

RESEARCH OBJECTIVES:

- To know the factors, which are directly concerned with online shopping?
- To know the factors which influence the consumers to shop online and what are the deterrent that causes people not to go for shopping online?

DATA ANALYSIS & FINDINGS:

Demographic summary of survey participants

| Category	Frequency	Percentage
Male	84	70%
Female	36	30%
Total	120	100%
21 – 25 years	53	44%
26 – 30 years	32	27%
31 & Above	35	29%
Total	120	100%

In this research work, 120 respondents were contacted, comprising of 84 males and 36 females. The age factor is also mentioned and taken care of, as this will show the popularity of internet and online shopping among the younger generation and elder generation. In this survey, 29% of population comprised of people who have attained the age of 31+, 27% respondents were between 26 – 30 years and 44% of people were young having 21 – 25 years of age. In all 120 people were contacted to know, what they think about online shopping trend.

Though online shopping is slowly and steadily is getting popular among people, there are several factors which makes online shopping popular and as well as having problems. As per the survey conducted the study found that 57% of the respondents replied in favour that they enjoy online shopping, and rest 43% respondents said that they have never experienced online shopping at all. The reasons is fear, items are not physically present i.e. they are shown on screen, thus there is always doubt in mind, etc.


The overall result demonstrate that 70% of the people believed that time is saved while doing shopping online because it can be done online from home or office, which does not involve to leave the place, that could be considered as time saving and cost of travel to the departmental store is also saved. On the other side 27% of the people have neutral attitude and rest 3%

of the respondents had negative attitude towards time saving factor through online shopping.
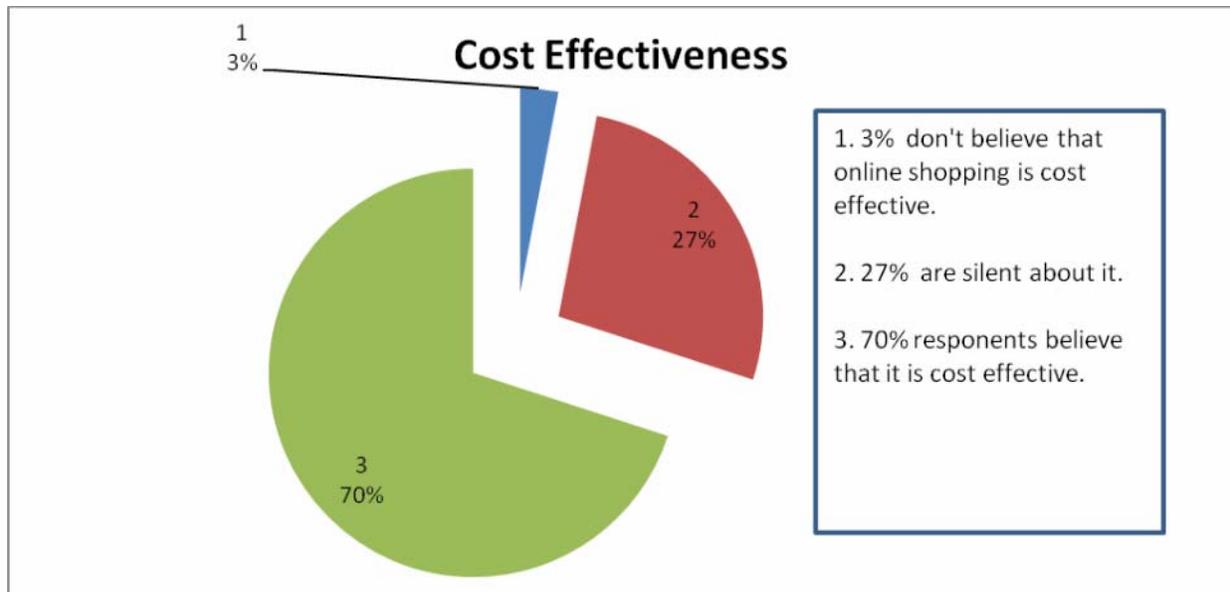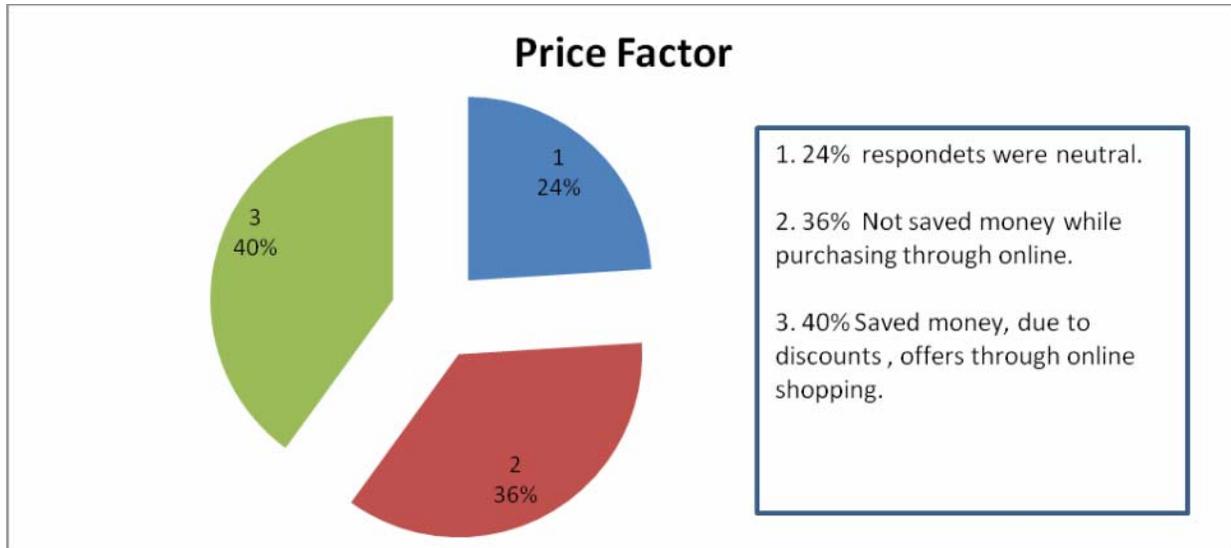

Trust and security is the main factor that hampers people from purchasing online. During survey, when it was asked from the respondents, that how much they feel secure when doing online shopping, because they have to divulge the information of their bank account numbers, credit or debit cards information with their passwords, etc. while shopping online. Do they fear that their information could be misused or not.
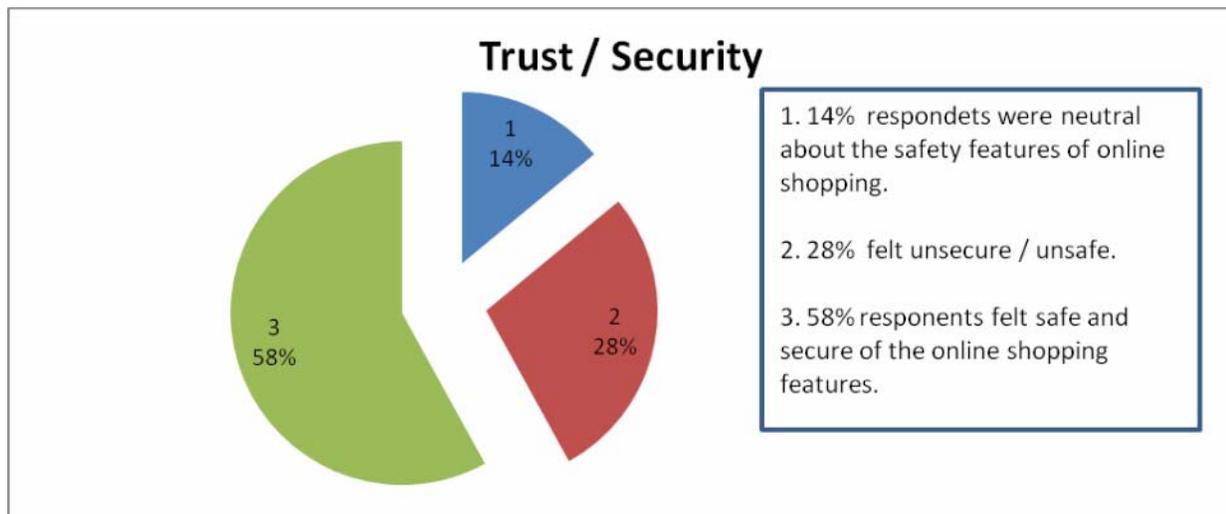
58% of the respondents felt secure, 28% of the respondents felt unsecure / unsafe when doing online shopping and 14% of the respondents were neutral in the trust and security factor / features of online shopping. It is enlightening that majority of the respondents have positive attitude towards feeling secure.

Price Factor

1. 24% respondets were neutral.

2. 36% Not saved money while purchasing through online.

3. 40% Saved money, due to discounts , offers through online shopping.

During the survey and interaction with the respondents, it was felt to ask the question that whether they actually save money when doing online shopping or not, as compared to physical traditional shopping. 40% of the respondents believed that the price of products are low, as they give heavy discounts / offers, etc. thus they saved money. 36% of the respondents believed that the cost is high and they have not saved money, directly or indirectly the company earns profits, it is only physiological effect that we get that we have saved money. Rest 24% people were neutral.

CONCLUSION:

The development of internet based shopping and social media advertising has led to new dimensions in the business and coverage of market in recent years. However, despite the global reach, the internet shopping / purchasing the goods from various online companies is new in India, it depends upon two factors - the speed and the extent of internet services / coverage area, secondly the internet users. The knowledge of various companies,

with the trust / faith in the products displayed, their quality and performance are the main factors which keeps the people attached or not attached with the respective portal. In this open market, there are many good reputed companies, and with them there are dubious companies also, which gives the services / goods to the consumers, resulting poor feedback / experience, etc. Thus dissatisfied consumers to a far greater extent give bad reviews, but this cannot the total e-marketing operations / process. However, despite these problems it is reasonable to conclude that e-marketing is on the whole a positive growth for industry and that despite certain lacunas its impact upon businesses has been largely positive. The future of online shopping is bright, online shopping business in India is destined to grow both in revenue and geographic reach.

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