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Department of Commerce, VEL TECH Ranga Sanku Arts College,

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Held on 4th January 2020



Online Retail Shopping: Buyers Behavior towards Retail Shopping In India

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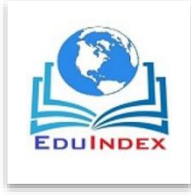
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Abstract

The growing use of Internet in India provides a developing prospect for E-marketers. If E-marketers know the factors affecting online retail shopping buyer's behaviour, and the relationships between these factors and the type of online buyers, then they can further develop their marketing strategies to convert potential customers into active ones, while retaining existent online retail customers. Online shopping or online retailing is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. This paper is part of study, and focuses on factors which online India buyers keep in mind while retail shopping online. It also investigates how different types of online buyers perceive websites differently. This research found that website design, website consistency / implementation, website customer service and website security/privacy are the four dominant factors which influence consumer perceptions of online purchasing. The process is called business-to-consumer (B2C) online shopping. When a business buys from another business it is called business-to-business (B2B) online shopping. The largest online retailing corporations are EBay and Amazon.com.

Key words: Internet, website, online buyers, shopping behavior and Factors



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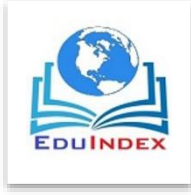
1.1 Introduction

Online shopping or online retailing is now popular trend in India. Online shopping means is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, e-shop, e-store, Internet shop, web shop, web store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or centre. Now Indian customers slowly move to use e-commerce. Online shopping sites like ebay, flipkart etc. are provides many efficient features which make online shopping easy and convenient. Now you can select a product from large variety, compare price, get offers online. In online shopping is a fast shopping compare to traditional shopping. It saves money and time. No transportation expenses. Many Indian customers scare about online transaction using debit or credit card. So cash on delivery makes fearless online shopping.

A framework is needed to structure the complex system of effects of the Today, demographic, psychographic and situational factors that impact a consumer's decision to shop online and develop an in-depth understanding of consumers attitudes and intentions to shop online internet is not only a networking media, but also a global means of transaction for consumers. Internet usage has grown rapidly over the past years and it has become a common means for information transfer trade and services.

1.2 History

In 1990 Tim Berners-Lee created the first World Wide Web server and browser. It opened for commercial use in 1991. In 1994 other advances took place, such as online banking and the opening of an online pizza shop by Pizza Hut. During that same year,



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Netscape introduced SSL encryption of data transferred online, which has become essential for secure online shopping. Also in 1994 the German company Intershop introduced its first online shopping system. In 1995 Amazon launched its online shopping site, and in 1996 eBay appeared.

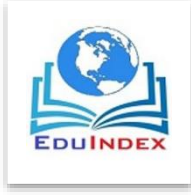
1.3 Online Retail in India

Online retail in India is directly related to the overall environment that has been conducive to internet usage, viz., an increasing young population of computer literates, the availability of the internet, active internet users and the utilitarian and hedonic dimensions associated with internet usage. There are a number of online retailers such as Fabmart.co, First and second.com, Sharekhan.com, Makemytrip.com, ICICI who have offered products and services in India but have not been able to tap the mass segment. The reasons, being failure in understanding the demographics of Indian consumers, the lack of proper connectivity and interactivity of the internet, uncertainties about the quality of product or services, and also risky payment modes (IAMA and IMRB, 2007). Most of the online retailers have been generating maximum revenues from advertisements and not from customers.

1.4 Online shopping websites:

Like many **online auction** websites, many websites allow small businesses to create and maintain **online shops** (ecommerce online **shopping carts**), without the complexity that involved in purchasing and developing an expensive stand alone **ecommerce** software solutions.

1.4.1 Design:



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Customers are attracted to online shopping not only because of the high level of convenience, but also because of the broader selection, competitive pricing, and greater access to information. Business organizations seek to offer online shopping because it is much lower cost compared to bricks and mortar stores, offers access to a world wide market, increases customer value and builds sustainable capabilities.

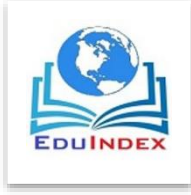
1.4.2 Information load:

Designers of online shops are concerned with the effects of information load whether consumers can be given too much information in virtual shopping environments. Information load is a product of the spatial and temporal arrangements of stimulation the web store. Compared with conventional retail shopping, the information environment of virtual shopping is enhanced by providing additional product information such as comparative products and services as well as various alternatives and attributes of each alternative, etc.

1.4.3 Consumer Needs and Expectations:

A successful web store is not just a good looking website with dynamic technical features, listed in many search engines. In addition to disseminating information, it is about building relationships and making money. Businesses often attempt to adopt online shopping techniques without understanding them and/or without a sound business model, producing web stores that support the organizations' culture and brand name without satisfying consumer's expectations.

1.4.4 User interface:



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The most important factors determining whether customers return to a site are ease of use and the presence of user-friendly features. Usability testing is important for finding problems and improvements in a web site.

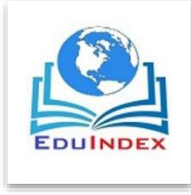
1.4.5 Market share:

E-commerce B2C product sales totaled \$142.5 billion, representing about 8% of retail product sales in the United States. The \$26 billion worth of clothes sold online represented about 13% of the domestic market, and with 72% of women looking online for apparel, it has become one of the most popular cross-shopping categories. Forrester Research estimates that the United States online retail industry will be worth \$279 billion in 2015.

1.4.6 Payment:

Online shoppers commonly use a credit card to make payments, however some systems enable users to create accounts and pay by alternative means, such as:

- Billing to mobile phones and landlines
- Cash on delivery (C.O.D., offered by very few online stores)
- Cheque
- Debit card
- Direct debit in some countries
- Electronic money of various types
- Gift cards
- Postal money order
- Wire transfer/delivery on payment



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Some sites will not accept international credit cards, some require both the purchaser's billing address and shipping address to be in the same country in which site does its business, and still other sites allow customers from anywhere to send gifts anywhere.

1.4.7 Product Delivery: Once a payment has been accepted the goods or services can be delivered in the following ways.

1.4.8 Downloading: This is the method often used for digital media products such as software, music, movies, or images.

1.4.9 Drop shipping: The order is passed to the manufacturer or third-party distributor, who ships the item directly to the consumer, bypassing the retailer's physical location to save time, money, and space.

1.4.10 In-store pickup: The customer orders online, finds a local store using locator software and picks the product up at the closest store. This is the method often used in the bricks and clicks business model.

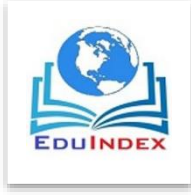
1.4.11 Printing out: Provision of a code for, or emailing of such items as admission tickets and scrip (e.g., gift certificates and coupons).

1.4.12 Shipping: The product is shipped to the customer's address or that of a customer designated third party.

1.5 Advantages of online shopping

1.5.1 Convenience:

Online stores are usually available 24 hours a day, and many consumers have Internet access both at work and at home. Other establishments such as internet cafes and



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schools provide access as well. A visit to a conventional retail store requires travel and must take place during business hours.

1.5.2 Information and reviews

Online stores must describe products for sale with text, photos, and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection. In a conventional retail store, clerks are generally available to answer questions. Some online stores have real-time chat features, but most rely on e-mail or phone calls to handle customer questions.

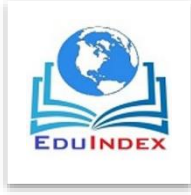
1.5.3 Price and selection

One advantage of shopping online is being able to quickly seek out deals for items or services with many different vendors (though some local search engines do exist to help consumers locate products for sale in nearby stores). Search engines, online price comparison services and discovery shopping engines can be used to look up sellers of a particular product or service. Another major advantage for retailers is the ability to rapidly switch suppliers and vendors without disrupting users' shopping experience.

1.6 Disadvantages

1.6.1 Fraud and security concerns

Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud on the part of the merchant than in a physical store. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase. With a warehouse instead of a retail storefront, merchants face less risk from physical theft.



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1.6.2 Lack of full cost disclosure

The lack of full disclosure with regards to the total cost of purchase is one of the concerns of online shopping. While it may be easy to compare the base price of an item online, it may not be easy to see the total cost up front as additional fees such as shipping are often not visible until the final step in the checkout process. The problem is especially evident with cross-border purchases, where the cost indicated at the final checkout screen may not include additional fees that must be paid upon delivery such as duties and brokerage.

1.6.3 Privacy

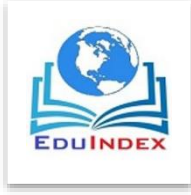
Privacy of personal information is a significant issue for some consumers. Different legal jurisdictions have different laws concerning consumer privacy, and different levels of enforcement. Many consumers wish to avoid spam and telemarketing which could result from supplying contact information to an online merchant.

1.6.4 Hands-on inspection

Typically, only simple pictures and or descriptions of the item are all a customer can rely on when shopping on online stores. If the customer does not have prior exposure to the item's handling qualities, they will not have a full understanding of the item they are buying.

1.6.5 Product suitability

Many successful purely virtual companies deal with digital products, (including information storage, retrieval, and modification), music, movies, office supplies, education, communication, software, photography, and financial transactions. Other successful marketers use drop shipping or affiliate marketing techniques to facilitate



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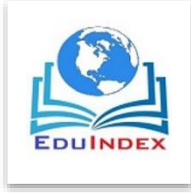


transactions of tangible goods without maintaining real inventory. Products less suitable for e-commerce include products that have a low value-to-weight ratio, products that have a smell, taste, or touch component, products that need trial fittings most notably clothing and products where colour integrity appears important. Nonetheless, some web sites have had success delivering groceries and clothing sold through the internet is big business in the U.S.

1.7 Conclusion

Online shopping is becoming popular in India these days. In a country like India, where people has to depend on metro cities for finding commodities with good quality and wide selection, Online shopping offers vast, easy and interesting shopping experience. Online shopping provides several advantages like 24 hours shopping, which requires less travel, rich product availability and specifications etc. Also their service is quite fast and it reaches your specified location in the given timeline and promised on the site. With the focused TV advertisements, online advertisements and also offline advertisements, it's hard to miss out the branding initiatives done by these online retail websites. The key to a successful sale be if offline and online is the customer service provided by these shops and these online retail stores do just that and follow up with emails and customer feedback on the service and also the product.

In 2012, the online stores backed heavily by finance and venture capitalists will be more aggressive and provide consumers with more discounts and massive products and choice to make and select. The customer service will be more on par with the international standards and purchasing and issue solving will be trouble free. All in all, a win-win situation for the consumers.



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