

CONSUMER ATTITUDE TOWARDS ONLINE SHOPPING (IN INDIA)

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Abstract

Online shopping today encompasses two aspects Travel and e-Tailing. This paper will focus on the E-tailing aspect of E-commerce in India and will try and evaluate the consumer attitude towards online purchasing.

E-tailing is the selling of retail goods on the Internet. Short for "electronic retailing", and used in Internet discussions as early as 1995, the term seems an almost inevitable addition to e-mail, e-business, and e-commerce. E-tailing is synonymous with business-to-consumer (B2C) transactions.

Attempt has been made to study the acceptance rate of online e-shopping among the consumers and its impact on their purchase decision. Result shows that people, irrespective of age and gender, surf the internet. However, significant difference exists between the age and attributes of online trading but it does not have any relation with the gender. Most of the respondents are hesitant to purchase items over internet because of security concerns. Most of the respondents irrespective of gender of different age groups (especially age group of 18-30 years) find e-shopping more convenient and time saving and prefer credit card as the convenient mode of payment. This paper gives direction to improving delivery and advertising web-products and services to achieve the objective of E-marketing and E-commerce in the long run.

Introduction

Online shopping or online retailing (retailing is being replaced with the word E-tailing) 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 shopping centre. 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, both of which are US-based.

Ninjuu Narang, a middle-aged cloth manufacturer and wholesaler from Gujarat, is in a cheerful mood. Last month he sold saris worth \$20,000 in just 10 days on Snapdeal.com, a Delhi-based daily-deal and e-commerce portal. Every morning he wakes up to a consolidated list of customer orders in an e-mail from Snapdeal.

Later that night the consignment is dispatched in a truck which trundles along for one-and-a-half days, covering over 1,000km (about 600 miles) before reaching Snapdeal's warehouse in Gurgaon, a flourishing industrial belt in North India. From here the saris are couriered to consumers across the country. Snapdeal earns a hefty commission on such deals and Mr Narang now sells to scores of customers he has never met, a first in his family's three decades in the trade.

Selling online has not always been this easy. In 1999 K Vaitheeswaran founded Fabmart.com (now IndiaPlaza), India's first e-commerce site. Back then only a small fraction of the 3m internet users transacted online. Halting dial-up connections and text-only browsing were not cut out for navigating complex payment gateways. Few Indians held credit cards and fewer still were keen on disclosing their card details. Nowadays more than 100m surf the web. Close to 30m scour for bargains online, and the number grows by 1.5m every month. **The industry is worth around \$10 billion**, though travel-ticket sales alone accounted for **\$8.4 billion last year.**

snapdeal.co

M indiamart.com
Source > Supply > Grow

HOME 18 SHOP.com

ebayshop

amazon.com
and you're done.

Little wonder, then, that in 2011 investors ploughed more than \$450m into Indian e-commerce. Flipkart, India's largest online store by revenue has so far raised \$31m since it was founded in 2007 and employs more than 5,000 people. With an average daily sales of \$500,000, the company aims to hit \$1 billion by 2014-15. Last December Ambareesh Murty, an erstwhile e-Bay executive, used a seed fund of \$5m to launch Pepperfry.com, which sells lifestyle products. In February Amazon debuted in India through Junglee.com, a product-comparison website which aggregates information from different e-commerce sites. In just two years Snapdeal's venture-capital (VC) backers have stumped up \$52m. Myntra, a popular seller of fashion products, has managed to tap investors for \$40m since its launch in 2007.

It is only natural that the industry should flourish. Indians are young—almost half of them are under 25—and growing richer. Its income per capita has risen by 12% between 2008 and 2011, to \$1,500. The International Monetary Fund reckons it will reach \$2,300 by 2016. With more money to spend, city-dwellers lap up online discounts. Nor is the trend confined to the biggest urban centres. Roughly a third of all products sold online are shipped to cities with population of 3m or less. Many of them lack supermarkets and other big retailers. The internet offers better deals and a wider variety of goods to choose from.

Research Methodology

Objectives of the Study

1. To find out the purpose of Internet Usage.
2. To know about the online buying behaviour of people.
3. To find the famous e-tailing websites.
4. To search the categories of Items purchased online.
5. To study the factors driving E-tailing.
6. To study the Barriers to online shopping.
7. To find the likeliness of shopping online without incentives and promotional offers.



Analysis of the Study

Classification of respondents on the basis of Gender (In Percentage)	
Male	59
Female	41
Classification on the basis of Age (No. of Respondents)	
Less than 18	10
18-30 years	25
31-45 years	120
Above 45 years	85
Classification on the basis of employment status (No. of Respondents)	
Service	25
Professional	165
Business	46
Student	28
Average Monthly Income (No. of Respondents)	
Less than 20 Thousand	40
Between 20 Thousand and 50 Thousand	165
Between 20 Thousand and 1 Lakh	42
More than 1 Lakh	40
Awareness about online shopping/e-tailing	
Yes	87
No	13
Time Spent Per Week on Internet (No. of Respondents)	
Less than 5 Hours	15
Between 6 Hours and 12 Hours	38
Between 13 Hours and 25 Hours	112
More than 25 Hours	89
Purpose of Internet Usage (In Percentage)	
Shopping	18
Communication	40
Information Gathering	22
Entertainment	20
Buying Behaviour (No. of Respondents)	
Continue to Buy	100
Discontinued Buying	75
Never bought anything	125

Famous E-tail websites (In Percentage)	
Flipkart	23
Yebhi	13
Snapdeal	21
Jabong	9
Fashion and You	6
E-bay	22
Others	6
Categories of Items Purchased Online (In Percentage)	
Books/ CD's/ Softwares	35
Apparels	28
Electronics	7
Health and Beauty Aids	21
Jewellery	1
Others	8
Factors driving E-tailing (In Percentage)	
Motivation to buy online	0
Time saving, convenience and Variety	22
24 * 7 Availability	10
Sales Promotion / Discounts	25
Easy Price Comparison	5
Cash on delivery	17
30 days return or replacement policy	21
Barriers to Online Shopping (In Percentage)	
Bad Past Experiences	10
Credit Card Details and Other Security Reasons	15
Touch and feel of product is missing	28
Miss shopping as an experience	26
High Prices	74
Internet is slow or lack of infrastructure	14
Bad past experience	10
Likelihood of shopping online without incentives and promotional offers (In Percentage)	
Very Likely	4
Likely	7
Neither Likely nor Unlikely	7
Less Likely	45
Will not shop online without incentives	37

Methods of data collection and analysis

Primary and Secondary data was collected for this research paper. 300 people active on Social Facebook were questioned about their online shopping preferences and the various factors affecting the same. Sample selected comprised of Business professionals and other internet savvy people in urban areas from middle and upper middle class families. The study undertaken used random sampling. 300 respondents were picked from different areas. Questions were prepared using Nominal scale & Ordinal scales as attributes studied were non parametric. After checking the validity & reliability of the questionnaire primary data was collected from respondents in city malls. Percentage method is used for analysing the different responses.

Inferences

✦ Both the gender are likely to purchase goods online. Most preferably the age group between 18 and 30 are on the Internet all the time for online surfing and online purchasing. Professionals who belong to good income groups, and earn between 50 k and 1 lakh per

month generally go for online shopping. Generally people use Internet for Communication and Information Gathering rather than Online Purchasing. Flipkart, Ebay and Snapdeal are the famous e-tail websites according to the survey made.

✦ Most of the respondents (irrespective of gender) are hesitant to trade online because of security reasons and touch and feel of the product is missing. Large percentage of the respondents also feel that online shopping makes them stay away from shopping as an experience. There have been cases in the past where personal information regarding passwords & identification theft has occurred. Those incidences have scared consumers. Besides this lack of physical approach, time required to deliver products & authenticity of the product merchandised are other factors. Consumers do not have faith in most of the online trading sites. Also usage of newer technology has made online trading more complicated & people resist change, that is why consumers prefer traditional shopping as compared to online trading.



- Most of the respondents, irrespective of gender of different age groups (especially age group of 18-30 years), find e-shopping more convenient and time saving. A wide range of products/services with variety are available to choose from and also, in general, traditional shopping in India has never been pleasant for Indian consumers. There has been a mixed reaction in response to quality and authenticity of the products offered.
- Looking into the overall analysis, online shopping is still facing stiff resistance primarily due to lack of trust and originating from variety of factors like , touch and feel of the product is missing , bad past experiences etc.
- Sales promotion and other incentives are a key to ensure that online-shopping keeps on increasing. People are indeed looking for incentives to buy online. Online shopping still is a sort of experience and most people do not indulge in very high price purchases. Rarely is jewellery bought over the Internet. Books, Apparels and CD's top the list of products being bought online.

Conclusion

- E-tailing is rapidly changing the way people do business all over the world. In the business-to-consumer segment, sales through the web have been increasing dramatically over the last few years. Customers, not only those from well-developed countries but also those from developing countries, are getting used to the new shopping channel.
- Understanding the factors that affect intention, adoption and repurchase are important for researchers and practitioners alike. Online shopping is gaining popularity among people specially the younger generation but in todays scenario, to become equally popular among all age groups, e-marketing will have to cover a longer distance. People have hesitations in using e-services due to security concerns, lack of physical approach towards product offered,

delays in product delivery along with price & quality concerns. Moreover people are more resistant to change and not easily adaptable to newer technology. 68% of respondents found shopping from a shop easier, convenient and preferable over online purchasing. These findings clearly support the conclusion that people are traditional and have doubts in mind, as far as the issue of online shopping/purchase of product is concerned.

- People have doubtful attitude towards e-tailing of product & services mainly due to security concerns related to privacy of personal information. Personal information privacy should be given preference by the companies involved in online marketing of product and services. The other major concern among people includes authenticity of product and services offered online. Companies involved in online trading should focus on building their brand awareness among people so that trust-worthy relationship can be developed between producers and consumers. On-time delivery of products purchased through online shopping will prove to be quite beneficial in the long run. Significant price-cuts should be offered to customers as there are relatively no/lesser intermediaries involved as far as e-marketing is concerned. Currency fluctuations should be dealt with great care and steps should be taken both by the government and companies so as to reduce currency fluctuations to its minimal. Promotional schemes should be launched to promote e-marketing business. Advertising of web-products and services is one of the major issues where companies fail to attract potential consumer attention. Companies should focus on offering informative advertisements which would contain product information along with additional products and services what best suits the needs of people. Such advertisements frequency should be high so as to position the products and brands in the consumers mind. In a nutshell we can conclude that e-Tailing has a potential to grow, only proper boosting needs to

be done both at producer and consumer level apart from government efforts. Standardization and repeated positive customer experiences will build the momentum for an increase in the number of consumers doing online shopping. In India especially, innovative software and schemes should be launched like e-try room, return/replacement policies so that people can feel relieved that even if they are buying a product from somebody who is not visible in case of any issues the product can be returned and there are people willing to listen to the issues and grievances.

- Looking into the current trends, better technical infrastructure, cash on delivery, 30 day return policy, free shipping, increase in the number of credit card users, online offers like 20-30% off, standardization of goods sold online, less time and effort required, unique softwares assisting in online shopping, increase in advertising on TV and other social media websites etc....these are important factors that have contributed primarily towards the growth story of India e-tailing/e-commerce.
- People in India are emotional about money and trust is some thing which governs all monetary transactions, preceded by family involvement for purchase decision. E-tailers have realised this and have started focussing on improving the trust factors by coming up with schemes like cash on delivery and 30 days return policy etc. Most of them have liaised up with manufacturers of the goods and are picking up orders directly from them on discounted rates and passing these discounts to the consumers in terms of promotional offers. This is also a winning proposition for the manufacturer as it can do away with storage costs of inventory and transportation cost of sending the goods to retailers. People in India will not buy online, at least now, if they are not given incentives in terms of promotional offers and convenience.

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