



ONLINE SHOPPING: A NEW GENERATION OF SHOPPING

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Abstract

Online shopping is a current trend and has a bright future for any business in this modern environment. Individuals now prefer this new trend of shopping over traditional style of shopping. Online shopping has numerous benefits which attracts attention of individuals as well as business. This paper discusses different aspects of online shopping. The research aims to provide theoretical background of online shopping, its advantage, disadvantages etc. Also research paper discusses about the challenges in online shopping as well as about top companies engaged in online shopping and succeed. This study is a descriptive study based on detailed review of earlier studies on online shopping. The study revealed that the e-commerce market is growing very faster. The sale in 2012 was 1.6\$ billion which increased to 8.8\$ billion in 2016. And this data is going to increase in future.

Key Words: Online Shopping, Customer, Business.

1. Introduction

With increasing internet literacy, the importance of online marketing is growing in India. The customers using online shopping has many benefits. The importance of online shopping is increasing especially in the young generation because they get the advantage of shopping at home only and also get benefits of discounts, time save etc. Forecasting future growth of online shopping, marketers are making changes in their marketing strategies and trying to capture future market. The online shopping is gaining greater importance in metropolitan and big cities as well as in foreign countries.

The Economic Times in one of their article published that when you buy a product or a service over the internet, instead of going to a traditional store in the market, it is called online shopping. Globally, online shopping has gained wide importance because of its benefit of convenience as well as save of time. People can buy any product from home only without pain of going to stores. Also online shopping gives the advantage of choosing from variety of products as well as brands. Various promotional campaigns like social networking sites, advertisements etc. are the major motivators of online shopping.

The exclusive benefit of online shopping customers is, it provides the 24*7 in a day shopping facility with the help of internet facility. The discovery of their favourite brands and products is also easy on web compare to any store, shopping mall and exclusive showrooms. Another benefit includes less cost of product, faster delivery, discounts, replacement policy etc.

2. Objective of Study

1. To know about the conceptual analysis of online shopping.
2. To know about growing trend of online shopping in India.
3. To know about top 10 online shopping sites in India.
4. To know about challenges and measures in growth of online shopping in India.

3. Review of Literature

E-Business began probably in the 1960's with electronic data interchange (Zwass, 1996). However, according to Melao, 2008e-business became a core feature in most of the organizations primarily via internet in 1990's only. In his opinion, e-business is important part of organization to stay competitive in the global economy.

Christy M. K. Cheung, Lei Zhu, Timothy Kwong, Gloria W.W. Chan, MoezLimayem,(2002) In view of this, in order to analyse online consumer behaviour in a systematic way, three building blocks i.e. intention, adoption and continuance are necessary.

Burke, R.R. (2002), for the success of any Business to Consumer (B2C) e-commerce transactions, trust is the key factor. This research focus on important topics related to online shopping – online shopper's safety, sales promotions and motivating consumers to shop online.

Abel Stephen (2003) this research is mainly focused on e-commerce design and associated consumer behaviour. Mainly innovation of e-commerce and their impact on consumer behaviour as well as different aspects of online shopping that are interrelated and interdependent were concluded.



Balasubramanian, S., Konana, P. and Menon, N.M. (2003), In this research, the link between trust and other performance related factors of the online service provider and to the service environment were included.

Rajeev Kamineni (2004) in his study find the role of World Wide Web on human behaviour and human interactions to a very large extent. This study intended to establish the differences between several web-based shoppers from different parts of the world. As a final step the cross cultural differences between several shoppers explored.

ArchanaShrivastava, UjwalLanjewar, (2011) in online buying, the rate of diffusion and adoption of the online buying amongst consumers is still relatively low in India. In view of above problem an empirical study of online buying behaviour was undertaken. Based on literature review, four predominant psychographic parameters namely attitude, motivation, personality and trust were studied with respect to online buying. The online buying decision process models based on all the four parameters were designed after statistical analysis. These models were integrated with business intelligence, knowledge management and data mining to design Behavioural Business Intelligence framework with a cohesive view of online buyer behaviour.

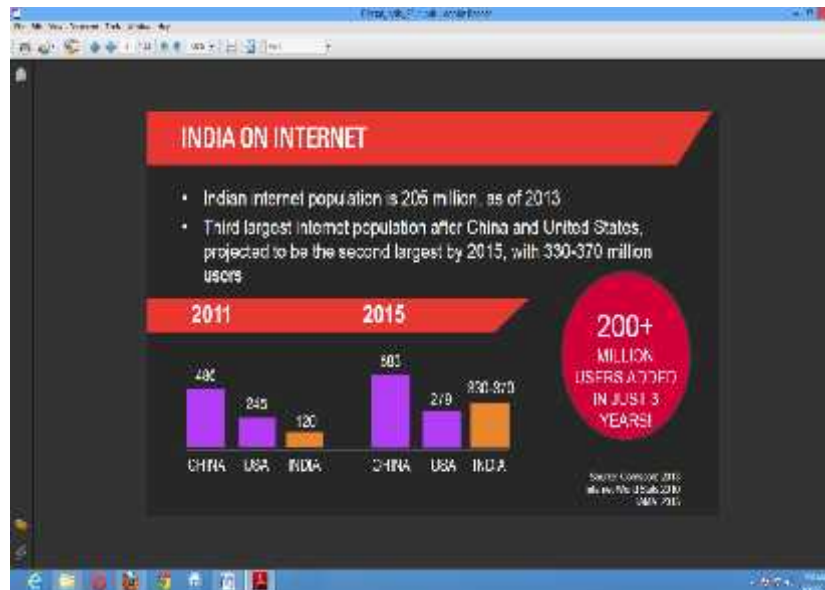
(Fram& Grady, 1997; Kunz, 1997; Mehta &Sivadas, 1995; Sultan &Henrichs, 2000) found that the consumer's willingness to and preference for adopting the Internet as his or her shopping medium was positively related to income, household size, and innovativeness. And women's are the major buyers from online shopping.

4. Research Methodology

The present study is basically relied on the secondary method of data collection. The major sources of data are books, research papers, and webs and various reports / studies published online.

5. Online Shopping: Theoretical Background

Online shopping has become the third most popular Internet activity, immediately following e-mail using, instant messaging and web browsing. Jush and Ling, (2012) defined online shopping as the process a customer takes to purchase a, service or product over the internet. A consumer may at his or her leisure buy from the comfort of their own home products from an online store. Comscore report, (2013) examined that India is now the world's third largest internet Population.



5.1. Characteristics of Trustful Online Store

1. **Easy to use.** Online shopping must be easy in usage. If customer will find it as a difficult task than they will lose them.
2. **Convenient.** Online shopping must have the characteristics of quick delivery. Customers now want their products at home only rather than going out to a physical store.
3. **Flexible:** Flexibility should be there in mode of payment. Payment through debit card, credit card, PayPal, net banking, cash on delivery etc.



4. **Confidence:** It should build confidence among its customers by confirming that: Payments are safe.
5. Customers can exchange or return products without problems.
6. They can easily contact us through a contact form, an email or a phone number to be found easily. And even, why not, they could be able to chat with a salesperson.
7. **Feedback:** It is also essential to open the page to customer feedback on products, transparently and without fear. On the Internet, consumers trust other users' reviews.
8. **Premium offers:** can help to localize our clients. For example, a flat rate for shipping charges or discounts and special offers for newsletter subscribers and social networks followers.

5.2. Growing Trends of Online Shopping In India

India is developing rapidly and for measurement of its development, e commerce plays an important role. The internet user base in India is increasing daily with new entrants. Insights into increasing demand for broadband services, rising standards of living, availability of wider product ranges, reduced prices and busy lifestyles reveal this fact more prominently thereby giving way to online deals on gift vouchers. E commerce market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011 and to \$12 billion by 2012.

According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% between 2012-16. The report, titled “Asia Pacific Online Retail Forecast, 2011 To 2016,” has been issued by Forrester Research Inc. Analyst Zia DaniellWigder, with Steven Noble, VikramSehgal and Lily Varon.

Country	Sales in \$ Billion	
	2012	2016
India	1.6	8.8
Australia	23.2	35.4
Japan	63.9	97.6
China	169.4	356.1

Source: Forrester

A new report by the Boston Consulting Group says online retail in India could be a \$84-billion industry by 2016 — more than 10 times its worth in 2010 — and will account for 4.5 per cent of total retail.

5.3 Advantages of Online Shopping

Online shopping is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service.

1. **Easy to Search:** Online finding of products is much easier than in the local store. We can search any product easily by using the search engine feature of an online shopping website. But in store you have to look for it until you find it.
2. **Cheaper Products:** Sometime a product can be found at cheaper price than local store as well as in other country than own country.
3. **Time and energy saving:** Lot of time is saved in going to store and standing in front of the crowd.
4. **Choice Freedom:** Online shopping provides very high freedom of choice than shopping from a nearby store. We can choose the product from vast range of products available online.
5. **Freedom of price flexibility:** We can enjoy the freedom of price flexibility. If we don't like the price of a product from an online shop, we can switch to other online store to look for cheaper price.
6. **High satisfaction percentage:** Now a day's shopping online is very reliable. The percentage of satisfaction is very high.
7. **Buyer protection:** Dependable websites like EBay provides buyer protection to motivate people to buy from their site. This highly trusted websites will give your money back if any seller do not deliver the item or deliver an item which does not match with the description.
8. **Rare product:** Sometimes rare products are available online which are not available at local store.
9. **Privacy:** We can buy any kind of product from online web store anonymously to maintain your desired privacy.



10. **E-business:** The progress of online business is actually helping millions of people. Now people can buy and sell from their home. People who cannot afford to buy or rent a shop, can easily open an online store and sell items from their home. This is playing a very important role in reducing the unemployment rate.

5.4 Disadvantages of Online Shopping

1. **Delay:** The main disadvantage of online shopping is, you cannot receive the product immediately. We have to wait until the product arrives. This is not suitable if immediate product is required.
2. **Inferior product:** We don't know about the actual quality of the product. Sometimes actual product is different from the product shown online.
3. **Shipping Charge:** Price of the product is same as nearby local store because of shipping charge. Cheaper product items becomes expensive due to this.
4. **Delivery Problem:** Sometime we may face Delivery risk. Delivery risk occurs when the seller fails to deliver the original product or delivers a damaged (inferior/duplicate) product due to shipping problems.
5. **Shopaholic:** This means that people are so much addicted to online shopping that they buy products which they don't need presently. They think that they are saving money but actually they are wasting money.
6. **Scam and fraud:** As online shopping is becoming very common the number of online scam and fraud is also increasing. This is why a buyer should always buy from trusted websites only because trusted websites would take care of any fraud to maintain their reputation.
7. **Return problem:** Returning an item is difficult in case of online shopping. Although seller accepts return, they usually want the item within a short period of time and you also have to pay for the shipping charges.

5.5. Challenges Faced By the Indian Consumers

While online shopping is a good place for bargain hunting and to get products at a very competitive price, it somehow has not worked its charm in India. The main reason for this is that Indian consumers do not get any real value or incentive from this trend. Also they are wary about fraud, delivery and customer service which is not far from the truth. Following are some of the few challenges we face:

1. **Internet Connection:** Limited spread of internet services is the biggest problem in making online shopping a success in India. Due to low usage rate of internet online shopping will take time to become a common way to shop.
2. **Problem related to language:** As Hindi is the mother tongue in country like India; English language is the main barrier of less use of online shopping in India. Most of the online shopping portals are in English, so this has also posed a great problem in front of the prospective buyers.
3. **Growing use of Plastic money:** Less prevalence of credit card is one more reason for the consumer remaining away from this modern means of shopping. Although many sites are also accepting cheques, cash on delivery and bank demand drafts but still a larger section of the service provider rest on this plastic money.
4. **Inefficient and delayed service:** Most of the time online shopping involves delayed delivery, damaged or inferior goods, quality issues etc. Consumers do not have a good experience with the results of online shopping.
5. **No physical touch of merchandise:** Online shopping is not gaining much importance because of its disadvantage of no physical touch of merchandise before purchasing and also quality of the product cannot be judged before order.










5.6. Measures to Be Taken To Make It Popular

1. **E-commerce awareness:** Lack of awareness is one of the main reasons for lower growth of online shopping. Consumers feel afraid of doing online transactions and have lower confidence level. So one of the most important measures is to create awareness of online shopping benefits.
2. **Variety of payment options:** Variety of options like cash-on-delivery, money transfer, cheques or demand drafts should be made available to the customer who can adopt the best-suited method as very less proportion of people has plastic money.
3. **Awareness regarding security measure:** Teaching Consumers to transact only on secure internet connections is also necessary. They should know very clearly about disadvantages of unsecure online payment.
4. **Highlight the benefit of shopping at home:** Potential customers should be convinced of the benefits of shopping from home without having the pain of going out in the crowded places.
5. **Make the prices more attractive:** The price offered for online shopping should be made more attractive as compared to the prices of the goods available in the shops then only the customers will feel motivated to buy online.
6. **Special offers:** Customers should be made aware about the varied sales promotion schemes, which will make this online buying more attractive and popular among the buyers.




7. **After sale service:** After sale service is one of the biggest problems in online shopping. Proper service should be provided and assurance should be given that if they will be not satisfied with their product than they can exchange it easily.

6. Top 10 Online Shopping Companies in India 2016

S. No	Company	Year Of Establishment	Owner	About	Website
1.	AMAZON 	2013	Jeff Bezos	The US based e-commerce giant Amazon has launched its India with limited number of products and slowly they have captured the market with their amazing offers on their extensive catalogues.	www.amazon.in
2.	FLIPKART 	2007	Sachin Bansal and Binny Bansal	Leading e-commerce company and grab the first position after acquire myntra in a deal of \$3.1 billion.	www.flipkart.com
3.	SNAPDEAL 	2010	Kunal Bahl	Snap deal has numerous product categories that include books, mobiles, electronic items, apparels etc. Initially it was started as discount coupon website but to capture growing ecommerce market	www.snapdeal.com
4.	PAYTM 	2010	Vijay Shekhar Sharma	The firm started by offering mobile recharging, adding bill payment and e-commerce, with products similar to businesses such as Flipkart, Amazon.com, Snapdeal. In 2015, it added booking bus travel.	www.paytm.com
5.	E BAY 	1995	Pierre Omidyar	An online auction and shopping website in which people and businesses buy and sell a broad variety of goods and services worldwide.	www.ebay.com
6.	JABONG 	2012	Sanjeev Mohanty (CEO)	Jabong.com is an Indian fashion and lifestyle e-commerce portal, selling apparel, footwear, fashion accessories, beauty products, fragrances, home accessories and other fashion and lifestyle products.	www.jabong.com
7.	MYNTRA 	2007	Mukesh Bansal, Ashutosh Lawania and Vineet Saxena but presently taken over by flipkart.	Myntra works in niche market space of apparels and has tie up with prominent brands.	www.myntra.com
8.	SHOPCLUES 	2011	Sandeep Aggarwal Sanjay Sethi	ShopClues provide delivery in more than 12,000 locations and offers payment options like Net Banking, Credit cards, Debit cards, and Cash Cards. In 2013 Shop Clues awarded Best eRetailer of the Year by Indian eRetail Awards 2013	www.shopclues.com
9.	PEPPERFRY 	2012	Ambareesh Murty & Ashish Shah	Pepper fry is an online furniture and home decor marketplace.	www.pepperfry.com



10.	HOMESHOP18 	2008	Reliance Industries Ltd	HomeShop18 is an online venture of Network 18 Group. It is an ecommerce website that sells Mobiles, clothing, footwear, jewellery, beauty, books and toys. Numerous top brands like Samsung, Nokia, Canon, Nikon, Sony are associate with HomeShop18.	www.homeshop18.com
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7. Suggestions and Recommendations

Following are some of the suggestions to overcome the problems associated with online shopping:

1. Quality should be the first preference of the online retailers than any other factor, as the quality is preferred by the customers.
2. Same product should be delivered as shown in the online sites because satisfaction and also dissatisfaction depends on this.
3. The online wardrobe should be updated according to the changing fashion in the country as the customers are updated in the changing fashion.
4. The apparel bought online, since it is going to be delivered to the customer's address the exact delivery date should be specified when the apparel is ordered.
5. Online retailers can try drone delivery technology may be tried to delivery costly items.
6. Online retailers should concentrate on prompt delivery and supply of non-defective products which enables to remove the misconception about online shopping of apparels.

Conclusion

E – Commerce is one of the most popular topic among people. Everyone is aware of this and getting involved in this. There are various advantages which contributed to the development of E – commerce – shop from home, variety in products, have option of making comparison among different brands etc. This proves to be important for both customers and retailers as well as wholesalers. With growing importance of e – commerce, demand for cyber café as well internet facility is also increasing. This involves various disadvantages also such as delay in getting product, getting inferior product, replacement problem etc. But its advantages are more than its disadvantages. Due to various advantages future of E – commerce is very bright. According to forrester, the e-commerce market is growing very faster. The sale in 2012 was 1.6\$ billion which increased to 8.8\$ billion in 2016. And this data is going to increased in future.

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