

A Study on Effects and Issues of Online Shopping

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Abstract- The demand for online shopping has increased with the changing market scenario and economic growth. Consumer buying patterns and preferences have been changed by the e-commerce explosion. Important brands are also moving towards e-commerce technology for increased sales of their products. There is no doubt about it that e-commerce has made transactions smooth, quick, faster, and easier. Both seller and buyer benefit from his techniques. As we all are aware Commerce and Business are the backbones of a country's development, if they were supported by electronic technology and tools like e-commerce, it will make wonders for the economic growth of the country. Online shopping is a vital part of E-commerce. It helps both the parties, the buyer, and the seller, in many ways. E-commerce technology and the usage of online shopping have increased in tremendous ways in India. Today almost every big company has adopted these technologies to increase sales, and to make branding all over the globe. According to a new report, online shopping in saw a 128% growth in interest from consumers in 2012 compared to the previous year in India. The report, compiled by Google and TNS Australia, states that the growth was only 40% between 2010 and 2011. The report used data from a sample survey of 800 users in November 2012 and also from Google Trends. Consumers were most interested in apparel & accessories (30%) and consumer electronics (34%). Other categories that Indians searched for online were Books (15%), Beauty & Personal care (10%), Home & furnishing (6%), Baby products (2%), and healthcare (3%). The present paper is an attempt to study the recent trends, influences, and preferences of customers towards e-commerce and online shopping and to give suggestions for improvement in online shopping websites.

Key Words: e-commerce, Internet, Online Shopping, Business.

INTRODUCTION

E-commerce and online shopping in India are getting noticeable growth. The urban and rural populations both are using internet facilities. More usage of internet facilities, high educational standards, changing lifestyles, more women employment, and economic growth of the country are the few major reasons for the demand for e-commerce techniques and tools. Online shopping plays an important role in these technologies. The top companies and MNCs could not neglect the importance of online shopping for their product branding, promotion and increased sales. In the years 2011 to 2012, consumer interest in online shopping in India grew by 128 percent compared to only 40 percent in the previous year. People turned to the internet this year to buy everything from diapers to books, home, and even groceries, bringing the country's e-commerce revenue to \$14 billion in 2013 with the potential for even more. "Availability of more payment options and increasing internet penetration have given a big boost to the e-commerce industry in 2012. Apart from electronics, categories such as fashion and jewelry, home and kitchen, and lifestyle accessories such as watches and perfumes have a significant customer traction group," Snapdeal Vice President (Marketing) Sandeep Komaravally said. "Apparel, books, and lifestyle categories (beauty, footwear, and health) will drive e-commerce", said Sundeep Malhotra (Founder and CEO of HomeShop18.Com), adding that the relatively stable and growing domestic economy will also be a key growth factor. "The coming year looks promising for the industry." According to the owner of peppercloset.com, Sumeet Arora, the e-commerce segment has doubled to \$14 billion this year from \$6.3 billion in 2011. This figure is likely to reach thirty-eight million by 2015. So, what can one expect from thousands of e-commerce websites in 2013? According to homeshop18.Com, an innovation that will "revolutionize" e-commerce in India is cost optimization through warehouse and logistics management that will enable companies to do a profitable business. According to a study by IMAI and IMRB International, as of June 2012, there were an estimated 137 million internet users in the country. Of this, 99 million were from the urban area of the country and the remaining 38 million were from rural India.

The rural areas are also taking participation in the usage of the internet wonderfully. According to a study by CRISIL and preliminary data released for 2011-12 by National Sample Survey Organization (NSSO), the consumption of FMCG products, and usage of technology are also enhanced in rural areas. According to a recent survey in December 2012 of IMRB and the Internet and Mobile Association of India (IMAI), "the number of claimed internet users has witnessed a Compounded Annual Growth Rate (CAGR) of 73% since December 2010. There are 3.6 million mobile internet users in rural India as of June 2012. It has grown 7.2 times in the last two years. The penetration of computer literacy among the rural population is 8.4%, while the penetration of claimed internet users has increased from 2.7% in 2010 to 4.6% in 2012. E-Commerce which involves a commercial transaction between seller and buyer over the internet enables a new economic environment and new business practices.

The objectives of the research paper included the following:

1. To study the changing patterns of shopping

2. To study the growth of e-commerce and online shopping
3. To identify the factors that determine the success of online shopping
4. To highlight improvements to make websites attractive to increase the number of buyers.

RESEARCH METHODOLOGY

For making this research successful and worthwhile, a questionnaire was structured. Primary data has been collected with the help of the questionnaire. Interviews have been taken with 250 respondents. Research also includes secondary data, which is collected from various websites, books, etc.

REASONS BEHIND THE GROWTH OF E-COMMERCE

1. **Busy Lifestyle-** People's lifestyle is so busy that they are not able to go shopping every time in crowded markets. Customers love to shop at their convenience, in a relaxed environment.
2. **High Disposable Income:** With growing job opportunities the income sources have also increased. Because of high spending power, customers are willing able to pay for the products online.
3. **Awareness of Products:** People nowadays are more aware of the products available in the markets. They are quite aware of new products, product features, availability, price, etc. through the help of media like television, radio, newspaper, etc. It is for these reasons that they feel confident while shopping online.
4. **Rising Computer Educational Level:** Due to the efforts of Government and Private Educational Institutions in India, computer education is getting new horizons. People are much more aware of the tools and techniques of computers. Not only students of urban areas, students of rural areas, housewives, and businesspersons are also attracted to the advanced technologies of computers like e-commerce and e-business. With the development of educational standards, there is automatically a large demand for new products to buy and use.
5. **Increased Usage of the Internet -** With more than 100 million Internet users, the country is beginning to achieve a critical mass of users who are familiar with web services. In addition, relatively sophisticated online travel agents such as MakeMyTrip, which began to convert these early Web users into Web consumers, have dominated Indian e-commerce over the years. **Saves Money** – One another reason for adapting e-commerce and online shopping technology is that the unwanted expenditure on petrol, parking, toll, etc. is considerably reduced.
6. **Easy to Find the Review of Products** – It is quite easy to find the review of products with the help of online shopping. E-commerce has made it easy to find product information and customers can buy products after getting product reviews and feedback.

ESSENTIALS FOR MAKING ONLINE SHOPPING EFFECTIVE

1. **It must be Secure** – Every customer wants to have safe and secure transactions while shopping online. If the website is secure, then customers will buy more from it. A secure Sockets Layer (SSL) is a standard security technology for establishing an encrypted link between the web server and a browser. E-commerce websites with the SSL certificate can intercept and protect users' information when customers access their websites.
2. **Easy and Understandable Content** – The website must be in easy language and understandable. While making the website, the language should be kept simple and if possible, content should be translated into other languages on the website.
3. **Combination of Branded Products and Non-Branded Products** – An online shopping website must be a combination of branded products as well as non-branded products. Customers' preferences and tastes are different and sometimes even customers change their buying patterns because of many reasons such as price, the utility of the product, the purpose behind buying the product, etc.
4. **Create Awareness** – An online website should create awareness among the customers about the products. The website should include all the latest news about the products, innovations in the market, new product features, revised pricing, a new price list, information about gifts and discounts, etc.
5. **Deliver High and Quick Quality Services** – One of the important features to make your online shopping websites better than others is to deliver high and quick quality services. The processing on the website must be quick concerning payments, home delivery services, etc.
6. **Appealing and Informative Design of Website** – The website which has been designed for online shopping purposes and must be designed in such a way that it will attract more and more customers towards it the offers, patterns, quick services,

etc. The content of the website must be understandable. Some important icons like shopping cart, payment system icons, social media links and icons, store location along with map, phone /contact number, login box, search box, etc. must be on the website for making the online shopping experience better and enjoyable.

Difference between Online Shopping and Traditional Shopping

The world is moving fast and one of the greatest reasons behind the demand for online shopping is a busy lifestyle and economic growth. Online Shopping is different from Traditional Shopping in many ways like product descriptions gifts, home delivery, payment modes, etc. are easy to access online nowadays. The difference between both the modes can be defined more in the following ways –

Online Shopping vs. Traditional Shopping

Traditional Shopping	Online Shopping
Salesclerk service	Product descriptions, information pages, gift services, search function, a clerk on the phone/e-mail
Sales promotion	Links to other sites of special offers, online games, and appetizer information of lottery interest
Store window displays	Home page
Aisle products	Featured products at the hierarchical level of the store
Store layout	Screen depth, browse and search functions,index, image maps
Number of floors in the store	Hierarchical levels of the store
Number of store entrances and store outlets/branches	Enumeration of links to a particular online retailstore
Checkout cashier	Online shopping basket and/or order form
Look and a touch of the merchandise	Limited to image quality and description, the potential for sound and video applications
Number of people entering the store	Number of unique visits to online retail stores
Sales per period	Sales per period

Source: Lohse and Spiller (1999)

SAMPLE SIZE

The respondents in the sample included urban consumers. 250 (two hundred fifty) respondents from Bulandshahr, a district of Uttar Pradesh, were interviewed. These respondents have certain exposure to online shopping. The samples are further presented in tabulation form with their responses.

INFERENCES

Through the help of a structured questionnaire, the study has been done. Each of the questions covers valid reasons to find out the online shopping factors, influences, and demands. The detailed analysis is as follows:

Table 1
Age of Respondents who prefer the Online Shopping

Response	Number of Respondents	Percentage
Less than 20 years	62	24.8
21 – 30 years	90	36
31 – 40 years	49	19.6
41-50 years	25	10
50 years above	24	9.6
Total	250	100

The first question was designed to find out the age of the respondents, who preferred online shopping. The above table and the graph reveal that 32.5% of the age group 21-30- years were involved in the research work for concluding the influences, demands, and improvements in online shopping.

Table 2
The gender of the respondents participating in the Study

Response	Number of Respondents	Percentage
Male	70	28
Female	180	72
Total	250	100

The table and graph 2 reveal that female respondents were 180 higher than the male respondents 70. Online Shopping is preferred by females rather than males.

Table 3
Monthly Income of Respondents

Response	Number of Respondents	Percentage
Less than ₹10,000	5	2
₹10,001 - ₹20,000	14	5.6
₹20,001 - ₹30,000	22	8.8
₹30,001 - ₹40,000	34	13.6
₹40,001 - ₹50,000	116	46.4
More than ₹50,000	59	23.6
Total	250	100

It is analyzed that the monthly income of the maximum number of people who shop online is in the range between ₹40,001-50,000, which indicates that the respondents are willing to make expenditures on online purchases of products and that they have the buying capacity.

Table 4
Education Level of Online Buyers

Response	Number of Respondents	Percentage
Less than V th	0	0
Up to VIII th	5	2
Up to X th	10	4
Up to XII th	39	15.6
Graduate	75	30
Postgraduate	121	48.4
Total	250	100

The above table analyzes the education level of the online shoppers (respondents) who have been involved in the research. It clearly shows that most of the respondents are having education up to the Postgraduate level. So, it can be concluded that they can understand the language, content, terms, and conditions of the product while shopping online.

Table 5
Preferred Websites for Online Shopping

Response	Number of Respondents	Percentage
Flipkart	39	15.6
eBay	25	10
Jabong	24	9.6
OLX	38	15.2
Homeshop 18	42	16.8
Snapdeal	31	12.4
Myntra	27	10.8
Zovi	5	2
Naaptol	10	4
Yebhi	5	2
Yepme	4	1.6
Total	250	100

Table 5 reveals that according to the respondents, the most preferred website for online shopping is Homeshop18.

Table 6
Online Shopping Duration of Respondents

Response	Number of Respondents	Percentage
Daily	2	0.8
Weekly	74	29.6
Every Six Months	32	12.8
Occasionally	41	16.4
Monthly	59	23.6
Yearly	37	14.8
Never	5	2
Total	250	100

Table 6 highlights the duration period of online shopping by the respondents. It can be observed that most of the respondents prefer to buy online weekly. 74 respondents among 250 agreed that they purchase weekly although they are not told by them what they purchase every week.

Table 7
Preferred Products to Buy Online

Response	Number of Respondents	Percentage
Books and Stationery	16	6.4
Grocery	58	23.2
Clothing and Accessories	59	23.6
Furniture	10	4
Household and Basic	48	19.2
Electronic	8	3.2
Jewelry	5	2
Footwear	26	10.4
Kids and Baby Products	20	8
Total	250	100

Table 7 analyzed that respondents were interested in shopping for Clothing and Accessories online. 59 out of 250 respondents buy clothes and accessories. Another reason behind the high number of clothing and accessories is that most of the online shoppers are females.

Table 8
Security while Shopping Online

Response	Number of Respondents	Percentage
Positive	163	65.2
Negative	87	34.8
Total	250	100

The above table reveals that the number of respondents is higher and positive concerning the safety and security factors. Customers find online shopping safe and secure in the context to give their details and payments.

Table 9
Preference of Payment Mode

Response	Number of Respondents	Percentage
Cash on Delivery	69	27.6
PayPal	15	6
Credit Card	48	19.2
Debit Card	62	24.8
Online e-Payment	30	12
Mobile Payments	15	6
Bank Transfer	11	4.4
Total	250	100

The last table shows that most of the respondents prefer Cash on delivery while making online shopping.

CONCLUSION

The research reveals that most of the people who are engaged in deciding on purchasing are in the age group of 21-30 years. While creating a website for online shopping it should be designed in a very planned and strategic manner. The websites for shopping were mostly visited by females. The study also highlights that most of the time customers prefer to shop for clothing and accessories from online shopping websites. The study also throws light that most of the customers (respondents) like to make payments on delivery of the products at their places. From the present study, it can be concluded that online shopping and e-commerce are an important part of B2B in the present world. Every small or big, national, or international company needs to focus and start selling their products online to make the product recognized globally. It does not matter whether the product is FMCG, Jewelry, Books and Stationery, Health & Medical related, electrical, or electronic. There are several opportunities for online shopping websites if designed and processed in a quick, secure, and qualitative way. Marketers need to concentrate properly on the requirements of e-Commerce and online tools and techniques to make wonders and hype their sales. Branding, Awareness of new features in the products, Product Positioning, etc. everyone got support with the help of online websites. Not only this, the unfair advantage that fake retail stores were getting can also be stopped through online shopping websites.

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