Online Shopping: A Shining Future

Arjun Gupta[1], Rohit Bansal[2], Atul Bansal[3]

Assistant Professor, Dept. of Management Studies, Vaish College of Engineering, Rohtak[1,2,3]

Abstract

The Internet has become an essential part of our daily life, and companies realise that the Internet can be a shopping channel to reach existing and potential consumers. The emergence and rapid growth of Internet and E-commerce has triggered off many changes in our life. This new phenomenon has promised change, challenges and even bright future, not only to consumers but also to companies, suppliers and middlemen. There are still many "ifs" and "buts" that we find people are whispering relating to its potentiality, impact and implications on business and social lives of all. This paper tried to answer some of those "ifs" and "buts", this paper tried to explain the what encourage people to buy online further it tried to explain what is the future of online marketing?

Keywords:- Online Shopping, Internet, buyer, e-commerce.

Introduction:

Online shopping or online retailing is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Online shopping is also known by many others name such as e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, and virtual store. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping. The largest of these online retailing corporations are eBay and Amazon.com, both based in the United States. Retail success is no longer all about physical stores, this is evident because of the increase in retailers now offering online store interfaces for consumers. With the growth of online shopping, comes a wealth of new market footprint coverage opportunities for stores that can appropriately cater to offshore market demands and service requirements. Online shopping is a growing area of technology. Establishing a store on the Internet, allows for retailers to expand their market and reach out to consumers who may not otherwise visit the physical store. The convenience of online shopping is the main attraction for the consumers. Unique online payment

systems offer easy and safe purchasing from other individuals. Electronic consumers exhibit different buying behaviors such as; cart abandonment. The benefits of shopping online also come with potential risks and dangers that consumers must be aware of. In the future, we can expect online stores to improve their technology tremendously, allowing for an easier and a more realistic shopping experience.

Objectives of the Study

1. To explain the concept of online shopping & outline the present trend of online shopping in India.
2. To find out advantages and disadvantages of online shopping.
3. To examine the future of online shopping in India.

Literature Review

According to *Vyas and Sriniwas 2002* majority of the internet users were having positive attitude towards online buying of products/services. There exists a need for developing awareness about consumers' rights and cyber laws. Marketers are required to educate consumers. It calls for developing a better distribution system for online products.

According to *Menon and Kahn, 2002* online shopping features can be either consumers' perceptions of functional and utilitarian dimensions, like "ease of use" and "usefulness", or their perceptions of emotional and hedonic dimensions like "enjoyment"

According to *Vesterby & Chabert, 2001* the internet can make it easier for businesses to have information on their products and services available to their potential customers. A company can meet the individual needs of the customer information to a lower cost per report to the dispatch of product catalog. *Vesterby & Chabert, 2001* asserts that the businesses without physical presence must market themselves considerably, both online and off line, for that the consumers to remember their name.

According to *Davis, 1993* that consumers' attitude toward Internet shopping first depends on the direct effects of relevant online shopping features.

According to Customers Jarvenpaa, S. L., & Todd, P. A. 1997 people are attracted to online shopping not only because of high levels of convenience, but also because of broader selections, competitive pricing, and greater access to information.

What is Online Shopping?

E-commerce has triggered off major changes which promise to change the lives of not only consumers, suppliers and distributors but also of those organizations that have or have not accepted this phenomenon. According to *Philip Kotler*, "The term Electronic Commerce describes a wide variety of *electronic platforms*, such as sending of purchase orders to suppliers via Electronic Data Interchange (EDI); the use of fax and email to conduct transactions; the use of ATMs, EFTPOS and Smart Cards to facilitate payment and obtain digital cash; and the use of internet and online services."

E-commerce has become popular for many reasons. Customers can now shop 24 hours a day, 7 days a week. E-commerce transactions as compared to conventional manual transactions can help to save about 5 to 10 per cent of the transaction cost. The marketer can reach consumers located at any point across the world. The consumers are likely to be satisfied as they get the service immediately. They need not wait now for weeks to receive a reply of their complaints. Majority of the websites have built in feedback forms, which the customers can submit in an instant. Many websites even have online help in the form of online sales representatives etc. with whom the customers can interact with the help of voice or text chat. Unlike a conventional market place, there is less investment to be made on the internet. With popular trends and demands the concept of the Internet as the way forward to increase profit margins, companies new and old are creating websites here and there.

Modus Operandi of Online Buying

In Virtual Marketing, the consumer visits a website, types in the product that she/he wants in the SEARCH box. She/he gets a list of products that meets customers' specifications. She/he then clicks on each product (or link) to get more information on the product. She/he reads the ratings and reviews of past customers of the product. When customers sees a product they may like to buy, they may clicks a button labelled WISH LIST, which keeps the list of all products short listed by them. After going through the wish list, the customer chooses the product that best suits their needs and clicks on the button labelled SHOPPING BASKET. All products that she/he wishes to buy are transferred to the shopping basket in this way.

In the end, the consumer clicks on the BUY NOW button and a web page with details of all the products in his shopping basket with the price and the postage that she/he has to pay is displayed. Once the consumer okays this, another web page is displayed which asks customer to enter details like name, email, credit card number and shipping address. Once the credit card number is verified, a confirmation page appears and the consumer is asked to verify whether the details are correct. In case any changes are to be made, the consumer can go back and make the changes. After this step the products are physically delivered at the consumer's door. Now a days websites are also giving another option of payment such as cash-on-delivery, payment through debit card, internet banking (NEFT/RTGS), EMI etc.

E-commerce websites use a technology called Secure Sockets Layer (SSL) which is used to encrypt credit card information given by the consumer. Another technology used for secure transactions is Secure Electronic Transaction (SET). Usually when a consumer visits a *secure* site, an icon of a locked padlock or a key is displayed in the browser, which reassures the consumer that the information that she/he provides will not get into the wrong hands. Shopping sites also track consumers who visit their website so that they can figure out their preferences and offer them customized information. For this *cookies* are used. A cookie is a file in the browser's directory on the consumer's computer's hard disk which is used by websites to store information such as when the consumer last visited the web site and which web pages she/he has viewed.

Present Trend

Indian consumer thought to be the toughest buyer when it comes to buying thing for their house. Before buying any product they want to feel it, touch it which is one drawback while buying online however in the recent past Indian seems to be over of this phenomenon as it can be seen the recent studies. Citing data from Google Trends, a report compiled by Google India highlights exponential growth in interest among Indians in online shopping. The study was compiled by combining consumer interest observed on Google search along with online research conducted by market researcher TNS. In the year 2011 to 2012, consumer interest in online shopping in India grew 128 percent compared to only 40 percent the previous year. According to Google India "approximately 8 million Indians shopped online in 2012 further it is predicted that Indian online shopping is growing rapidly and will continue to see exponential growth". Consumer interest on Google search was the highest for consumer electronics at 34 percent, followed by apparels and accessories at 30 percent. Other product categories that Indians searched for

online were books (15 percent), beauty and personal care (10 percent), home and furnishing (6 percent), baby products (2 percent), and healthcare (3 percent).
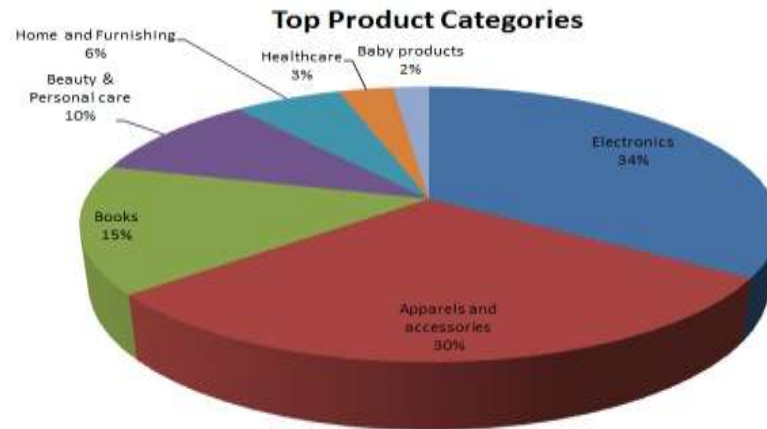
Source: Google India Trend

Trends suggest that consumer interest in apparels and accessories will be greater than consumer electronics in 2013 in terms of absolute query volumes. With the growing mobile Internet user base in India, mobile phones are becoming a key contributor of the surge in online shopping. Google witnessed a two-fold growth in the number of queries from mobile phones from 2011 to 2012. Currently, 30 percent of all shopping queries in India come from mobile phones. The research revealed that 90 percent of online shoppers intend to buy more products online, reflecting the positive experience of the users. Further according to this research in terms of motivators to shop online, the consumers' highlighted cash back guarantee as the number one benefit, ability to give cash on delivery, fast delivery, great deals and access to branded products were highlighted amongst the other benefits of shopping online. The consumers also highlighted some barriers that deter them from shopping online – the number one factor was inability to touch and try the goods before purchase, fear of faulty products, fear of posting their personal and financial details online and the inability to bargain were cited among the other reasons.

Advantage of Online Shopping

Internet has revolutionized the way we do our Shopping. Because of the numerous Advantages and Benefits of Shopping Online more and more people these days prefer Online Shopping over conventional shopping.

Comparison Shopping: One can compare prices, models and options more easily online - quickly and easily. This avoids have to run around several different retail stores. Also there is a wealth of reviews and other information available online to help you choose between models and brands. Often the information available online provides direct side-by-side comparisons of brands and models. This makes choose the right model very easy.

Better Prices: Another thing which is fascinating about online shopping is the cheap deals and better prices which one can get from online stores because products come to you directly from the manufacturer or seller without middlemen involved. Many online shops offer discount coupons and rebates which reduces the prices further**.**

Convenience: One of the most obvious benefits of online shopping is convenience. It is available 7 days and week for 24 hours from your computer or smartphone. One can order products from interstate or all over the world. Shoppers are no longer restricted to products, models and options available from local retailers. This can simply the purchase of hard to find items or stock not carried by the local retail store.

Send Gifts: Online Shopping makes sending gifts to relatives and friends easy, no matter where ever they stay. Now there is no need of making distance an excuse for not sending a gift on occasions like Birthday, Wedding Anniversary, Marriage, Valentine's Day, Mother's Day etc.

Availability of Express Shipping: For bulky items this can be a huge advantage especially if the delivery includes insurance and the costs are very low. Delivery is so important for many shoppers that they will go to the retail stores to check out what they want to buy and the prices offered. Then they will do some check on the online prices from several retailed and order the goods online so that they get the free delivery.

Variety: The choices you can get for products are amazing. One can get several brands and products from different sellers at one place. You can get in on the latest international trends without spending money on airfare.

Compulsive Shopping: Many times when one go out on shopping he end up buying things which he does not require because of the shop keepers up selling skills. Sometimes he even compromise on choices because of the lack of choices in those shops.

Discreet Purchases: Sometime one wants to buy things in private mean he/she does not want others to know (such as pharmaceutical tablets, undergarments) what really he/she is buying. Online Shops enable one to purchase under garments and lingerie without the embarrassment that there are several people watching.

Avoid the crowd: One would like to avoid the crowds when he does the shopping especially during Festivals and Special events. For online shopping one does not have to take time out of his busy schedule, it is just few clicks away.

Disadvantages of Online Shopping

No Physically Examination: Online shopping does not give opportunity to touch and handle the goods and to See How it Works. One can't physically examine, try on and test the items one is considering buying however many people do their research in local retail stores, but then order online for lower prices and delivery.

No Negotiation: Online shopping does not give opportunity to negotiate the price with a human. Online shopping mean loss of ability to negotiate and haggle about the price, warranty and payment terms with staff in the local retail stores that may offer to beat any competitor's price.

High delivery cost: Online shopping mean that one is getting product delivered at his address for web-store will charged either directly or indirectly. Online shopping might have high delivery cost and unknown extras such as delivery insurance and warranties may be expectantly high and far exceed what is quoted on the site.

Fraudulent sites: While doing shopping online one must be beware of the fraudulent sites. Online line purchasing risks are higher, especially with unknown suppliers or due to unreliable, unsafe and fraudulent sites

Return Policies: Returns or faulty or damaged goods, exchanges can sometimes be difficult and expensive because the purchaser has to pay shipping costs and there may be long delays in resolving the issues. The details about the policies and fine details in warranties ate other terms and conditions may be hard to find online and may be unclear.

Spam and Identity Theft Risks: Online shopping involves sharing your personal information online which could result in stealing of your information and later used inappropriately. The more information you provide online such as credit card details, name and address, the higher the risk that someone will steal this information.

Future of Online Shopping in India

India is thought to be the country where internet penetration is low. To gain acceptance for online shopping among Indians, first thing is to increase the internet penetration however India is also witnessing increase in the number of internet users*(Illustrated in table-1)* .

Table-1:- Internet Users in India

Year	Internet Users as Percentage of Population
2001-02	1.54 %
2002-03	1.69 %
2003-04	1.98 %
2004-05	2.39 %
2005-06	2.81 %
2006-07	3.95 %
2007-08	4.38 %
2008-09	5.12 %
2009-10	7.50 %
2010-11	10.07 %

Source: - World Bank
Note:- Internet users are per 100 people

It can be seen that in India the number of people using internet is increasing day by day. According to the Cisco's Visuals Networking Index (VNI) forecast (2012-17) India has the fastest Internet traffic growth globally and is expected to have 348 million users by 2017 up from 138 million in 2012. Internet traffic in India will reach 2.5 exabytes per month in 2017, up from 393 petabytes per month in 2012. One exabyte equals 1 million terabytes. This will result in the increase in the revenue generated from the use of internet. Another study by McKinsey said that internet contribution to India's GDP will explode to $100 billion (Rs. 5 lakh crore) by 2015 from $30 billion (Rs.1.5 lakh crore) at present(2012) which mean that concept of online shopping will gain its foothold among Indians. Indians usually go with their conventional shopping but now they are breaking this shackle especially the youth who like spends easily without taking much time to shop at physical store thus the future of online shopping is bright. With growing population, busy schedule people are moving to alternative ways to fulfill their shopping needs and online shopping is the best method. Convenience of getting product delivered at your doorstep have made the things easier people are now even buying grocery online which mean almost everything is just a click away. Such an ease will surly attract more people to this mode of buying things thus it can be said that online shopping is a future that will help people to reduce their efforts on buying things.

Conclusion

Online shopping is concept that is gaining its foothold in India rapidly. Indian people have started accepting online shopping as a mode of shopping though compared conventional shopping it is negligible but it will be gain more and more acceptance in the future as the internet penetration increase in India. Like everything has pros and cons online shopping too have pros and cons. Online shopping more advantages in comparison to the disadvantages. Online shopping offer better price, time saving, convenience, eliminate compulsive buying which somehow manage to compromise the disadvantages such as higher delivery costs, no negotiation but if Indian people are to accept this concept online sellers have to keep innovating to make shopping more pleasurable. It can also be said that online shopping have a shining future as Indians are spending lavishly and internet penetration is increasing.

References

1) Vyas Parimal, Sriniwas Pooja (2002) Online Buying Fact or Fiction!, *Delhi Business Review* Vol. 3, No. 1, January - June 2002

2) Menon, S. and Kahn, B. (2002), "Cross-category effects of induced arousal and pleasure on the Internet shopping experience", *Journal of Retailing*, Vol. 78 No. 1, pp. 31-40.

3) Beri, G.C. (2000) Marketing Research, Tata McGraw Hill Publishing Company Limited, New Delhi.

4) Davis, F.D. (1993), "User acceptance of information technology: system characteristics, user perceptions and behavioral impacts", *International Journal of Man-Machine Studies,* Vol. 38 No. 3, pp. 475-87.

5) Jarvenpaa, S. L., & Todd, P. A. (1997). Consumer reactions to electronic shopping on the world wide web. *International Journal of Electronic Commerce*, 1, 59–88.

6) Internet users (per 100 people) – World Bank (http://data.worldbank.org/indicator/IT.NET.USER.P2?cid=GPD_44) accessed on 20-04-2013

7) Indian Internet economy all set to explode: study published on Sep. 30, 2012 (http://www.thehindu.com/news/national/indian-internet-economy-all-set-to-explode-study/article3949186.ece?ref=relatedNews) accessed on 12-04-2013

8) India to have 348 mn internet users by 2017: Cisco (http://www.thehindu.com/sci-tech/technology/internet/india-to-have-348-mn-internet-users-by-2017-cisco/article4781640.ece)

9) Google India Study reports numbers about online shopping in India; 'Electronics' Top Search but 'Apparels' most bought (http://yourstory.in/2013/01/google-india-study-about-online-shopping/) accessed on 21-04-2013

10) Online shopping catching fancy of Indian consumers (http://www.zdnet.com/in/online-shopping-catching-fancy-of-indian-consumers-7000010470/) accessed on 23-04-2013

11) Benefits of Shopping Online - Advantages, Traps, Cautions, Pros, Cons (http://janderson99.hubpages.com/hub/Benefits-of-Shopping-Online-Advantages-Traps-Cautions-Pros-Cons) accessed on 25-04-2013

12) Top 10 Benefits of Online Shopping (http://anamikas.hubpages.com/hub/Online-shopping-sites-benefits) accessed on 26-04-2013