



Online Shopping: Prospects and Challenges Faced by Consumers

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ABSTRACT

Online shopping (sometimes known as e-tail from "electronic retail" or e-shopping) 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. For developing countries and low-income households in developed countries, adoption of e-commerce in place of or in addition to conventional methods is limited by a lack of affordable Internet access. In this paper descriptive research has been done to know the importance of online media and the pros and cons for going for online shopping instead of going to physical retail shops.

KEYWORDS :: Online Shopping, Consumers, Goods and Services

INTRODUCTION

Online media is a moderately new business channel, which is selling and buying goods and services using a technology canal popularly known as the World Wide Web or Internet. This technology has been adopted and implemented worldwide so that different set of consumers can be associated to each other, in varied manner, by just clicking a mouse in seconds. Large number of business organizations have incorporated online marketing as component of their marketing strategy; they feel that if they do not match up with new improvement and innovations in technology, they might lose the business to competitors due to which a number of studies over the past two decades the researchers have researched this latest technology canal in various areas, for example, online shoppers' attitudes toward Electronic Commerce; how consumers experience about going online for their shopping requirements, what are their areas of concerns when they are shopping online, and the demographic profiles of consumers which could be the prospective online consumers etc. Product type seems to have a considerable influence on consumers' willingness to shop online. Researchers differentiate between items about which sufficient information can be provided online (such as CDs, books or packaged grocery products), and those which ideally require physical inspection by a prospective buyer (such as clothes, cars, fresh foods or domestic appliances). However, in practice consumers are becoming used to buying all kinds of goods and services online, and/or searching offline for the desired item and buying it online at the best price, hence many e-retailers are succeeding in providing their customers with the necessary reassurances. Thus it is observed that respondents buying household products give importance to the shopping factor.

Online shoppers commonly use a credit card or a PayPal account in order to make payments. However, some systems enable users to create accounts and pay by alternative means, such as:

- Billing to mobile phones and landlines
- Gift cards
- Cash on delivery (C.O.D.)
- Wire transfer/delivery on payment
- Cheque/ Check
- Debit card
- Direct debit in some countries
- Electronic money of various types
- Invoice, especially popular in some markets/countries, such as Switzerland
- Postal money order

Some online shops does not accept international credit cards. Some require both the purchaser's billing and shipping address to be in the same country as the online shop's base of operation. Other online shops allow customers from any country to send gifts anywhere.

IMPORTANCE OF ONLINE MEDIA

Online shopping based Internet technology is required from both the sellers' and shoppers' perspective. The benefits of online media is as follows:

Reduces labor expenses: Business houses can empower the other areas of their business to produce greater than before revenue, result-

ing in customers receiving the benefit of improved pricing.

To enhance the quality of their products or services in terms of fulfilling customer requirement online that will serve the needs of customers;

Diversity of products: Customers can take a quick look through for variety of products and services at their homes; Moreover they don't need to go from shop to shop to assess their prices, thus they get the profit of convenience as well as saves time while they are online;

Immediate Reaction: Business houses can react to their customers immediately, they are also able to answer all questions from customers at the same time when asked. In this way, their customers can obtain enhanced satisfaction with the services as well as saving their time.

ADVANTAGES

Convenience: Online stores are usually accessible 24 hours a day, and many consumers have Internet access both at work and at home place. Other establishments such as internet cafes and schools also provide internet access. In contrast, visiting a conventional retail store requires travel and must take place during business hours.

Information and reviews: Online stores also depict 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. Some online stores provide or link to supplemental product information, such as instructions, manufacturer specifications, safety procedures, demonstrations etc. Some provide background information, advice, or how-to guides designed to help consumers decide which product to buy.

Price and selection: One advantage of shopping online is being able to quickly seek out deals for items or services provided by 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 search engines can be used to look up sellers of a particular product or service.

DISADVANTAGES

Fraud and security concerns: Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud than face-to-face transactions. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase. However, merchants face less risk from physical theft by using a warehouse instead of a retail storefront.

Lack of full cost disclosure: The lack of full cost disclosure may also be problematic. While it may be easy to evaluate the base price of an item online, it may not be easy to see the total cost up front. Additional fees such as shipping are often not be 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.

Privacy: Privacy of personal information is a significant issue for some consumers. Many consumers wish to avoid spam and telemarketing which could result from supplying contact information to an online merchant. In response, many merchants promise to not use consumer information for these purposes. Many websites keep track of consumer shopping habits in order to suggest items and other websites to view. Many larger stores use the address information encoded on consumers' credit cards (often without their knowledge) to add them to a catalog mailing list. This information is obviously not accessible to the merchant when paying in cash or through a bank (money transfer, in which case there is also proof of payment).

CONCLUSION

It has been observed that consumers are currently used to buying all categories of goods and services online, and exploring offline for the preferred product and then purchasing it online at the best price, therefore many e-retailers are excelling in giving their customers with the necessary reassurances but there are certain problems faced by the consumer while going for online shopping which needs to be terminated or consumers are required to be more careful

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