



Study of Effectiveness of Online Shopping

KEYWORDS

E-commerce, Internet shoppers, Online Shopping

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ABSTRACT *All of the businesses today as we see are done over the internet and anything which is not there is meant to be wiped off. E-commerce evolved as businesses started to shift from real time market to digital market. The online shopping system being a prominent part of E-commerce has brought down political and physical barriers.*

Online shopping has become new type of retail shopping. It has become a substitute for the real market place. It has now been adopted all over the world including India. The knowledge of online shopping in India is now beginning to increase rapidly. The main objective of this study is to analyze factors affecting online shopping behavior of consumers that might be one of the most important issues of e-commerce and marketing field.

Introduction

Today the demand of the Indian e-commerce market is increasing very significantly. Propensity of online shopping among the Indians has also increased with the increase of smartphone and desktop usage in India. For that, the competition to capture the Indian e-commerce market among the world's leading e-commerce company is clearly noticeable. But, the main noticeable factor in the Indian e-commerce market is the behavior of the Indian online shoppers. The demands of the Indian shoppers are quite different from other countries of the world. In India, a person is always looking for a cheaper rate and that is why almost one third of the total sale is made during the sales season in India. The discount offered by the vendors affects not only offline market it also affects the e-commerce sector.

Literature Review

Davis (1993)

Consumers' attitudes regarding Internet shopping are depending on the direct effects of relevant online shopping features. Online shopping features can be classified into consumer's perceptions of functional and utilitarian dimensions such as "ease of use" and "usefulness", or into their perceptions of emotional and hedonic dimensions like "enjoyment".

Holbrook (1994)

Internet shoppers can be described as 'problem solvers', others can be regarded as seeking 'fun, fantasy, arousal, sensory stimulation, and enjoyment'. The Problem solvers merely shop online in order to acquire a specific product or service, in which case shopping is considered to be 'a task' or 'work'.

Zinkhan (1998)

Claimed that the Internet shifted the balance of power in favor of consumers as it became very easy for them to make shopping comparisons and evaluate alternatives without being pressured by salespeople. Online stores reduce transaction costs and have advantage for both consumers and vendors. For Internet buyers, gender, marital status, residential location, age, education, and household income were frequently found to be important predictors of Internet purchasing.

Vijayasathy & Jones (2000)

Found that perceived risk influenced both attitudes toward online shopping and intention to shop online in line with other studies. However, perceived risk is said to decrease with internet experience.

Zhang and von Dran (2000)

Make an attempt to evaluate website quality from user satisfaction and dissatisfaction perspective. Their studies show that website design features can be regarded as hygiene and motivator factors that contribute to user dissatisfaction and satisfaction with a website. Hygiene factors are those whose presence make a website functional and serviceable, and whose absence causes user dissatisfaction.

Delleart and Ruyter (2004)

There are five external factors to understand consumer's intention to purchase in the internet which is the consumer personality, situational factors, product characteristics, previous online shopping experiences and the trust in online shopping. Consumer's trait includes their demographic factors such as age, income, gender and educational level will lead them to have the intention to shop online. For age factor, consumers that are aged under 25 has more potential to shop in online because of their interest in using new technologies to search for product information and compare and evaluate alternatives.

Scarborough & Lindquist (2006)

They have conducted an empirical study on E-shopping in a multiple channel environment, in which a segmentation schema is suggested based on patterns of e-purchasing and e-browsing, including browsing on the internet with planned purchasing in an offline channel. They examine self-reports of browsing and purchasing using five specific non-store channels i.e. Internet, television infomercials, advertising that accompanies regular television programming, television shopping channels, and print catalogs. Finding shows that buyer who browse or purchase online, different in their use of multichannel options related to their perceptions of ease. Some buyers want to purchase in store setting and do not want multiple forms of non-store shopping. Other like to browse different non-store media, they extended their browsing to the internet, however, keep their loyalty to purchase in store.

Devaraj, Fan & Kohli (2006)

They have conducted an empirical study in USA regarding, Examination of online channel preference: Using the structure-conduct-outcome framework. This study examines the behavioral and economic features that add to online consumer's satisfaction and further head to their preference of online channel. The results indicate that asset specificity and uncertainty structure variables of the electronic market place are related with the conduct constructs such as, personalization, website design, time responsiveness, security and reliability of the online channel. Further, it was found that, personalization, time responsiveness, security, and reliability are also significantly linked to the consumer satisfaction outcome with the channel. Website design has not significant effect to online consumer's satisfaction. Finally, It was indicated that satisfaction resulting from the above conduct variables was strongly related to the consumer's preference online channel preference.

The above literature survey gives a brief overview that, there is limited work has been done with respect to online customer satisfaction. Most of the above presented data was related to particular region or country, the research work for Danish industry had been limited and there is scope for generate online consumer data base to provide base for further research in this area, as well as to open the gates of new business trends for Danish industry. The next section will provide overview of methodology.

Kotler et al. (2008)

Marketing is all around us. Even when people share their shopping experiences, they indirectly market the product or service. For the most part, marketing deals with customers which are an important element in the system; the customers decide what they want or need. Through marketing, companies aim to attract new customers by promising superior value and to maintain current ones and further develop one's clientele by delivering customer satisfaction.

Xia and Monroe (2009)

Their study resulted that consumers with a shopping goal are more responsive towards promotional messages such as "pay less" and "discount" while consumers without shopping goal are responsive towards promotional messages such as "save more" and "free gift". As we know that online shopping requires shipping fees for product delivery. It is expected that some consumers intention to purchase a particular product because they have to pay extra charges for the delivery service

Objectives of the study

1. To explore the reasons why despite increase in internet users, online shopping has not been increasing.
2. To discover the individual factors that might, on one hand, prompt a buyer to make an online purchase decision and on the other hand, restrain from such decisions.
3. To put forward some recommendations to the e-tailers in order to improve the current situation.

Hypothesis

- H0 :- Reasons for which people are making online shopping is uniformly distributed
 H1 :- Reasons for which people are making online shopping is not uniformly distributed

Research Design

- Data Source : Primary data
 Research Method : Survey of on line shoppers

- Research Tool : Structured questionnaire
 Sample Frame : On line shoppers of Rajkot city
 Sample size : 300
 Sampling Technique : Convenience sampling

Table 1: No of respondents doing online shopping

Users of On line shopping	No. of Respondents
Yes	198
No	102
Total	300

Table 2: Reasons for which on line shopping is not preferred

Reasons	No. of Respondents
Lack of trustworthiness of Vendors	30
Complex compared to Traditional Shopping	24
I have undergone bad experience	21
Lack of proficiency with the Internet	6
Risk of credit card transactions	12
Difficulty in returning products/items	9
Total	102

Table 3: Reasons for which on line shopping is preferred

Reasons	No. of Respondents
Time Saving	75
Easier	51
Accurate description of products shown on the web sites	24
Broad selection of goods available on the internet	27
Reduction in the monetary costs	21
Total	198

Findings

1. Internet shoppers are more active as in-home shoppers.
2. Internet shoppers have more Internet experience, they use the Internet more frequently and they have longer Internet sessions.
3. Computer professionals and those who use the Internet in their work are more active at shopping from the Internet, but only for work use.
4. Internet shoppers have found unique products on the Internet.
5. Internet shoppers perceive less risk in Internet shopping than non-shoppers what comes to inability to physically inspect the product, insecure payment method and slowness of the buying process.

Conclusion

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. To increase online purchases, businesses must use significant time and money to define, design, develop, test, implement, and maintain the web store as it is truly said that "it is easier to lose a customer than to gain one." Even a "top-rated" website will not succeed if the organization fails to practice common etiquette such as respond-

ing to e-mails in a timely fashion, notifying customers of problems, being honest, and being good stewards of the customers' data Because it is so important to eliminate mistakes and be more appealing to online shoppers, many web shop designers study research on consumer expectations.

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