



Problems And Prospects of Online Shopping in india With Special Reference To Palakkad District, Kerala.

KEYWORDS

Online shopping, Convenience, risk perception, mode of payment.

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ABSTRACT *The present study probes into the problems and prospectus of online shopping in Indian market. Online purchasing of goods, is prevalent to a much larger extend in recent years due to convenience, speedy transactions, saving time, etc. Despite of these motivational factors, there are various transactional and non-transactional issues involved in online shopping. It also aims to suggest technique to improve the present level of perception.*

INTRODUCTION

The world of internet practically can be considered as an endless market, where a consumer living in any country of the world can get into a contractual relation with a trader operating in any other country of the world. From this aspect a cross-border purchase is when the consumer buys goods from any web trader settled anywhere in the world outside his/her country of residence. Due to the differences in language and legislation environment, furthermore sometimes in commercial traditions it is particularly essential to consider whether to buy the selected product from a web store operated by a foreign trader.

The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy in spite of the larger distance arising from the endless and unlimited market offered by the internet. In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Besides the advantages however, it is good to know that there may also be risks connecting to online shopping, since the conclusion of the contract is done without personal interaction, and the consumer sitting in front of a computer/screen tends not to think over or consider his/her intention of buying. The consumer being as a layman not a professional player of the deal is in a more defenseless situation. This is manifested in a twofold information deficit concerning on the one hand the product to be bought and on the other hand concerning the identity of the trader.

REVIEW LITERATURE

Banerjee, Dutta, and Dasgupta (2010) conducted a study on "customer's attitude towards online shopping". It could be concluded that the availability of extensive and current information was the most important factor which influenced Indian customers to shop online. The researcher also revealed that there was a significant association between online shopping and monthly family income, frequency of internet usage, and time spent per session on Internet usage.

Dholakia, Zhao (2010) the purpose of this paper is to identify website characteristics that affect customer evaluations and satisfaction with online stores at two interaction points – when the order is placed and after the order has been fulfilled. Order fulfillment variables, particularly on-time delivery, dominate the effects on overall customer evaluations and satisfaction the online environment is dy-

namic and the paper captures some of the changes in the relationships between website attributes and customer satisfaction.

Torben Hansen, Jan Møller Jensen (2009) conduct a study on "Shopping orientation and online clothing purchases: the role of gender and purchase situation" The results support the expected differences in men's and women's shopping orientations and willingness to purchase clothing online. On average, consumers indicate that reduced difficulty in selecting items is sorely needed when purchasing clothing online.

LanXia, Kent B. Monroe (2009) the purpose of this paper is to study the effects of consumers' pre-purchase goals on their responses to price promotions. More importantly, pre-purchase goals interact with promotion characteristics and produce differential effects on willingness to buy. Consumers with a pre-purchase goal are more attracted to promotions emphasizing reduced losses while those without a goal responded more favorably toward promotions emphasizing gains.

OBJECTIVE OF THE STUDY

1. To study the importance of online shopping in Indian market.
2. To study the problems faced by online consumers.
3. To study the perception of consumers towards online shopping.

SCOPE OF THE STUDY

In India, research on internet shopping is still in its infancy because Internet shopping is still in the evolution stage in our country. Traditionally, Indians are conservative in their approach to shopping. Importance is given to touch and feel factor, and low customer trust is the biggest challenge faced by online traders in convincing and persuading the potential buyers. With this perspective in mind, researcher motivated to undertake a comprehensive research in this specific area.

RESEARCH METHODOLOGY

The data for the study was gathered through a self structured questionnaire. Closed-ended questionnaire were applied in this research. Here, the type of research carried out is descriptive in nature.

The study is mainly based on convenience sampling meth-

od. A total usable sample of 250 respondents was collected during the period from June to September 2015. Out of the responses received from 250 respondents, the responses of 20 respondents were rejected because of incomplete details.

In this research primary data and secondary data were used. Primary data were collected using questionnaire. The secondary data have been collected from various journals, magazines, books, and websites.

DATA ANALYSIS AND DISCUSSION OF FINDINGS

Table 1: Simple Percentage Analysis

Variables and Categories	N=230	%
Age		
18-25 Years	153	66.5
26-35 Years	62	27
36-45 Years	15	6.5
Gender		
Male	153	66.5
Female	77	33.5
Attitude towards Online Shopping		
Positive	139	60.4
Negative	91	39.6
Motivating factor		
Shop at any time	38	16.5
No need to travel	25	10.9
Wide variety of products	147	63.9
Access to Global brand	20	8.7
No. of years since Shopping through Online		

Less than a year	55	23.9
1-2 years	138	60
2-3 Years	37	16.1
Frequency of Online Shopping		
Once in a month	75	32.7
Once in two months	48	20.8
Once in six months	59	25.7
Once in a year	48	20.8
Convenient Mode of Payment		
Cash on delivery	120	52.2
Credit/Debit Card	80	34.8
Bank transfer	25	10.8
Pay pal	5	2.2

Source: Primary Data

As per the above table, out of 230 respondents, majority (66.5%) of the respondents is male and remaining are females. Majority (66.5%) of them are between 18-25 years old, 60.4% of the respondents shows a positive attitude towards online shopping, majority (63.9%) of the respondents opines that availability of wide variety of products is one of the main motivating factor in online shopping, Table 1 also shows that a higher percentage of respondents (60%) have started to purchase the products and services through online from 1-2 years back, with regards to online shopping frequency majority (32.7%) of the respondents purchase online product once in a month, 76% of the respondents availed the facility of free home delivery and they made the payment at the time of delivery of the product.

Table: 2 Weighted Average Analysis- Problems faced by online consumers

FACTORS	Strongly Disagree	Disagree	Not Applicable	Agree	Strongly Agree	Scores	Rank
Delay in delivery	159	71	0	0	0	1.31	12
Risk of credit card	19	56	20	92	43	3.36	6
Risk of identity theft	10	54	24	105	37	2.54	11
Difficulty in returning products	20	39	36	90	45	3.44	5
Fear of quality of products	14	31	19	84	82	3.82	2
losing privacy	6	36	12	119	57	3.80	3
Not skilful in internet	6	68	28	89	39	3.37	7
Lack of trustworthiness	37	97	37	46	13	2.56	10
Complex compared to traditional shopping	15	59	60	71	25	3.139	9
Not able to touch the product	17	55	45	94	19	3.187	8
Absence of warranty & Claims	5	24	22	110	69	3.93	1
Value added tax/ Customs duty	16	47	17	110	40	3.48	4

Source: primary data

Weighted average method was applied to study the important factors which preventing consumers from online shopping, for which 5 point scaling was used were 5 is given for Strongly Agree and 4 is given for agree, 3 for neutral, 2 for Disagree and 1 for Strongly Disagree., absence of warranty and claims is ranked first(3.93), followed by fear of quality of product is ranked second(3.82), los-

ing privacy is ranked third(3.80), value added tax/customs duty/is ranked fourth(3.48), difficulty in returning products is ranked fifth(3.44), risk of credit card transaction is ranked sixth(3.36), lack of awareness about internet is ranked seventh (3.37), not able to touch the product is ranked eighth (3.187), complex compared to traditional shopping is ranked ninth (3.14), lack of trust worthiness is ranked tenth (2.56), risk of identity theft is ranked eleventh (2.54) and

delay in delivery is ranked last(1.31).

Chi-Square Analysis

Table: 3 Relationship between Gender and attitude towards online shopping

		Level of attitude towards online shopping		Total
		Negative	Positive	
Gender	Male	56 36.6%	97 63.4%	153 100.0%
	Female	35 45.5%	42 54.5%	77 100.0%
Total		91	139	230
		39.6%	60.4%	100.0%

Source: Primary Data

	Value	D F	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.679	1	.195(NS)

Not significant

Ho: There is no relationship between Gender and Level of attitude towards online shopping.

The calculated Pearson Chi square value is 1.679 with DF-1, p value (0.195). Hence, it is clear that it is statistically not significant at 5% level. Hence, there is no relationship between gender and attitude towards online shopping

SUGGESTIONS

- The fear of credit card transaction will be reduced if the companies (managing web stores) collaborate with different banks, and the banks maintained online account directly.
- Online sites should incorporate the "Cash on delivery" option to increase their online sales.
- Shopping is still a touch-feel-hear experience, the e-tailer need to create a similar environment as it is in a physical store by creating a novel web designs and portals, sophisticated web atmosphere, e-mail updates and live interaction over the internet.
- To facilitate examination of the product before purchase, the e-marketers can send samples to the consumers who plan to place a bulk online order.

CONCLUSION

This research work was an attempt to explore the factors that may affect the online buying behaviour of various consumers. The results reveal that ease of shopping, availability of wide options; convenience, shop at any time etc. are the most important factors that may improve the online shopping behaviour of consumers. The results revealed that the following factors such as risk of credit card transaction, chance of identity theft, difficulty in returning the product, fear of quality of product, lose of privacy etc. restrain them from online shopping. This study might contribute to a better understanding on what and how strongly the factors are involved in online consumers purchase decisions. However, e-retailers should keep in mind that consumer behaviour might change in time to time especially in online market so the e-retailer should investigate the consumer behavior in time to time and adapt the products and services according to customers requirement

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