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Conceptual Study on Online Shopper Behavior Towards E-Tailers Shift From Portal To APP Strategy

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ABSTRACT

The number of increased internet users and the advent of the smart phones opened the new avenues for the Online Selling companies, one such opportunity is mobile based application along with the Web portal.

As we aware a web portal is most often one specially developed web site that gets relevant information together from various sources in a uniform way. Usually, each one of the information gets its own exclusive space for displaying information (a portlet); often, the user can configure which ones to display.

According to the IAMAI (Internet and Mobile Association of India) number of Mobile internet users in India is expected to cross approximately 371 Million by January 2016. With this the paper aims to conceptually examine the Online shopper behaviour towards the E-commerce companies focus shift from Portal to Mobile application only Strategy by analyzing and referring various available studies online. Also the author designed the FIRE Model – F-Factors, I-Integrate, R-Research, E-Execute for the benefit of the future researches on the Online Shopper behaviour Term Portal is generally synonymous with gateway, for a World Wide Web site that is or proposes to be a major starting site for users when they get connected to the Web or that users tend to visit as an anchor site. There are general portals and specialized or niche portals.

KEYWORDS | Online Shopping, Shopper Behaviour, Factors, behaviour, E-tailer, Strategy, Web Portal, Mobile Portal, Mobile Application.

INTRODUCTION

Days are these where almost every Smartphone user started using the Internet on their Mobile very actively. The switch from the Desktop / Laptop internet usage to Mobile internet is happening at a much rapid pace. One of the reasons is smart phone prices are coming down very drastically due to the competition among the Mobile device manufacturers. Also interestingly at the same time we moved from Paper Money to Plastic money, further with the arrival of Mobile wallets now moving towards Virtual Money, which allows customers to make transactions through user's smartphone without actual money. But the real revolution is yet to happen with more innovation and value added services which can facilitate and unleash a huge benefit to both the online sellers and the shoppers. With the increasing smartphone device sales, more and more users are accessing the internet to complete most of their routine tasks and transactions through mobile devices. Also the telecom operators have significantly reduced the 3G tariffs to bring it in line with 2G (Generation), more and more users are now migrating from 2G to 3G services, helping the users to be active online all the time.

Smartphone users are the expected to be the next significant set of connected customers for the E-tailers. Also the changing technology has greatly opened new opportunities for the Online Retail sellers to customize and personalize the user experience. It became quite helpful for the E-Commerce Brands as once the customer downloads the mobile application (in usage we call it as mobile app -A **mobile app** is a software **application** developed specifically for use on small handheld devices, such as smartphones and tablets , the app will always be signed in allowing to collect the user specific information. Further Organizations are now collecting all the data right from the shopper's preferred brand(s), usage statistics, re-purchase of same/specific brand(s), duration of the browsing , frequency of app usage etc which helps in supporting their own market development and strategies to reach a customer effectively .

With the realized advantages of app against the mobile portal (it is an Internet gateway that enables **mobile** devices to connect remotely with an enterprise intranet or extranet, typically via a Web browser interface), which will provide access to **mobile** services and content using channels such as SMS, a micro browser such as WAP, i-mode and voice, have been playing an important role in online sales, hence, now companies are changing their focus towards the app only based selling, however still continuing their desktop based portal to retain that segment of customers. At the time of the Mobile application download, access rights permission for the device data is asked from the user, which enables the companies to further understand the Online Shopper behaviour and factors affecting the buying pattern better. Reports say that most of the traffic is from their mobile applications as shopper prefers to utilize the time and shop while they are on the go.

Objectives of the Study
1. To understand the Online Shopper behaviour towards E-tailers shifting focus from portal based services to App only Strategy
2. Brief the proposed model FIRE for the benefit of future researchers
3. Finally concluding with the managerial implications.

Limitations of the Study:
- The Study is performed only to conceptually consolidate and align all the available information online related to the Online Shopper behaviour and the e-tailers shifting focus from website to App only strategy.
- Further Researchers are encouraged to empirically study the under-examined concept of Online Shopper Behaviour as most of the available studies are on Consumer behaviour and are not so extensive in nature.

Methodology
The study is conducted purely based on secondary data base**.**

CONCEPTUAL REVIEW:

Understanding the Shopper behaviour is one step further of the Consumer behaviour; one can find lot of in depth studies and reviews performed towards Consumer behaviour and seem Shopper behaviour is yet to be considerably explored. It is important to differentiate between consumer and Shopper.

A Consumer is one who is already a user of a Product / Service; A Shopper is the one who is at the shopping mode and have got the choice of choosing the same old product or a different one.

As Dina Howell, CEO of Saatchi & Saatchi says - "When you are in the shower and using shampoo, you are a consumer. When the shampoo runs out, you go into shopping mode and become a shopper. That is when the emotional drivers of shopping kick in and you have the chance to connect with the shopper.

It requires understanding of those drivers and how to connect with them in a manner that leads shoppers to purchase. Shopper marketing's effectiveness is measureable through business results."

With the similar understanding - Organizations are utilizing the technology in hand to enhance the user experience during the shopping process. After a long term concentration on Portal based selling - which rapidly increased online consumer base and now e-retailers are channelizing all their strengths to promote and enhance images of product and services through Mobile based application. Accordingly, improved look and feel, detailed product information, accessibility, customized information flow are attracting more and more people to change their Shopping behaviour from the Portal to App. On the other hand, more companies have realized that the consumer to shopper behaviour transformation is unavoidable trend, and thus quick change is needed in their marketing strategy. Recent researches have indicated that, the Online shopping particularly in Business to Consumer (B2C) segment increased significantly and online shopping gained popularity in rural places also considerably. Benefits that the Shopper gets via Online medium can be attributed to the reasons of the swift growth that the ecommerce industry is witnessing still. Convenience, Shop from Home , Real Time comparison of prices, Customized notifications , Delivery Tracking , additional benefits like Cash backs , Secured Payments via third party verified mediums are few of the reasons why customer are interested to shop online.

ONLINE SHOPPER BEHAVIOUR – WEBSITE USAGE

With the increase in the usage of internet especially via smartphones, e-tailers are trying to understand the Online shopping behaviour of the consumers. It is hard to find an organization without having its focus on the online sales , regular website updation to the keep the customers informed about their latest happenings.

If we look at the decision making process of the online shopping Decision making process, on the surface of it, it looks very similar to the offline decision making process, but there is a significant difference when we look at the background. Major difference can be found in the Marketing Strategies that the companies follow and the Shopping experience and environment that is provided to the shopper.

Figure 1.1: Online Shopping Decision Process

Source: Katawetawaraks, Chayapa and Cheng, Lu Wang, Online Shopper Behavior: Influences of Online Shopping Decision (October 25, 2013). Asian Journal of Business Research Vol. 1, Number 2, 2011.

Usually the Shopping process starts with the need identification either by actual need or by external stimuli (refer figure 1.1) such as the online promotions while the user is surfing through the web. Further the searching for more information online reviewing the comments / checking for the offers for the best discount / features etc., then finally making the purchase decision. Post-purchase behaviour becomes important both for the customer to have the smooth completion and also from the company's perspective as it might help retain the customers making them loyal for future transactions.

As seen above, all the five phases Need/ want, information hunt, Assessing alternatives, decision, post-purchase behaviour in the both the cases are most crucial in transforming the Consumer to Shopper, whether the consumer makes the purchase decision with his actual need or through an external stimulus. Organizations need to concentrate on each phase going all out in understanding the Shopper behaviour according to their changing wishes utilizing the technology.

Most significant communication channel that the E-tailers need to concentrate is their Website / Portal. Because whenever the consumer notices an online advertisement or endorsement, it might immediately trigger their stimulus and might make him the potential customer further. This is the reason why all the companies give attention to online promotions reiterating it so that when in need there is a higher possibility that a shopper might think of their product, thus converting a shopper into a consumer. But the challenging part here is to win the consumer back and making him loyal so that he repeats the purchase again. When explored from the business perspective, it is the repeat purchase that brings in more revenue to the organization in terms of certain products.

Once the Need / Want are clearly defined from Shopper perspective, Next immediate thing that they do is the information hunt. Prior to the actual purchase they will surf through the web to get as much as information as possible related to the product features, Pricing, Availability, Delivery facility, discounts, Warranty and Guarantee conditions, reviews and comments from the exiting consumers, Seller details, Credibility of the organization. Having got all the necessary and relevant information shoppers are now-a-days acting smart in comparing the product across websites making use of some of the dedicated websites serving the purpose ,quite often almost all the shoppers do immediate check is on Price between two selected e-tailers , any discounts and also whether any shipping charges are being levied or not. In fact most of the shopping carts are abandoned once the shopper realizes that the shipping charges are collected.

Understanding this some of the giants like Amazon are giving different options for the delivery varying from guaranteed 24 hour handover if premium is paid to a weeklong almost delayed free delivery.

Some of the Grocery online stores like big-basket are providing free delivery ,if the check out is for certain amount (at the moment it is 1000 INR) and an express delivery option in an hour approximately , collecting nominal delivery charges facilitating the shopper as much as possible. During this comparison only the companies have got all the equal opportunity to win the customer, because every shopper is different and expects him to be treated specially with customized offers that will benefit him exclusively. Strategy that works here is while designing the offers if enough research is done based on the target segment of the shoppers , which will help the marketing to come up with as wide promotion as possible considering the completion as well.

Well designed Website is the fundamental tool to attract the

customers; Research says that the build of the portal should match the tastes of the target customers. Same is the reason why start-up companies like Urban Ladder , Housing.com are more focussing on their website much , with a clear idea that whenever a potential customer visits their website they should immediately feel the connect and believe that this is the place where they can fulfil their need , as this can serve as an one stop provider. Apart from the Cosmetics, next comes the convenience part. Well design can make the customer to visit the portal, whereas a well designed and Organized can actually make the shopper consumer conversion. If all the goods and services provided well placed under respective categories, it will facilitate the shopper much better. Also on top of the categorization common search functionality with all the key words will help them as well.

Once the shopper is equipped with all the relevant information needed, alternatives for comparison, it will help them to take the decision for purchase. In other way the Shopper to Consumer / Customer conversion will happen. The ability and the capability of the Marketing research in the organization will definitely help here in securing an easy transaction. To support this statement, further if information is provided quickly, there is a better probability for the purchase. As it is evident from the information, that the shopper receives at the moment of the search will control their shopping behaviour. Key inputs that the consumer looks at the point of purchase before check out is information provided regarding the product specifications, Delivery details, after sales service primarily.

Post-Purchase behaviour of the consumer is something that organizations are trying to explore constantly, as this is final phase once after the customer is won needs to be taken care of properly. These days most of the online selling companies are implementing the No-questions asked return policy, as this will provide mental peace for the genuine customers as an additional incentive. Anyways there are cases where this policy is misused and the companies have to go through tough task in identifying them. Apart from the returns, exchange policies also need to be made obligatory with much care as this will affect the expectations of the customer, and further might impact the future sales in this internet era where the comments and experiences are being shared in the social networking sites almost immediately winning the support of the online users successfully. This is one of the additional check-point that the companies need to have on them, scanning through the internet and if any complaint / grievance found need to be addressed appropriately in the same forum. Clearly there are instances where the similar issues that are not handled properly have to face the consequences.

CHALLENGES VIA PORTAL USAGE:

1. Online shopping via Website / Portal is convenient, time saving and relatively a better option; however there are few of the challenges and issues that the online shoppers face during their transactions.
2. Slow Processing – Primary issue that shoppers face while trying to access the website is the time it takes to load the Home page, and further the way the portal is designed. If the switching of screens is slow, say more than 8-10 seconds ideally then the companies are losing the customer to their competition.
3. Improper Search Functionality – The moment the shopper visits the website, they are likely to use the search functionality to find the product / services they are looking for. If this is not working properly, then the shopper will feel not so good about the time spent on the same.
4. Categorization – Most shoppers have the tendency to check under the categories for the products they are in need of, but at times they feel hard to find the product under the mentioned category clearly which brings in confusion on how to proceed further.
5. User Experience – Uninteresting website design and if the pass through from screen to another screen is not so eye-catching, it will create a monotonous and unexciting experience to the shopper.
6. Complicated Navigation – Common challenge that users face is the multiple navigations that are required to complete the transaction which for a normal user who wants to shop feels it as a complex
7. Less Portable – For using a website / portal the user needs a laptop or a desktop which is immobile, which is sometimes a not so handy option to complete the shopping.
8. Increased Web Traffic – During Peak time, the Website might experience maximum number of hits, if the user tries to login at the same time he might not be able to complete the transactions so smoothly and it is significantly slow at that times. To avoid this, although he has got good internet bandwidth, better machine, one has to wait till the off-peak hours.
9. Payment Process – Users complain about the payment options that are available on the website to complete their purchase, also the network coordination with the third party websites say banks and switching navigating back to the merchant website once the payment process is finished is not happening smoothly. At times, cases are like amount is deducted from the customer's account but the purchase is not successful and it is further tedious to coordinate with the banks to get their money credited back into their accounts.
10. Trust – Most common aspect that shoppers are concerned about is the trust; whenever they are prompted to punch in their credit card details they feel it is not so safe. Also while providing the personal profile details like phone number, they feel bit unsafe.

MOBILE APPLICATION ONLY STRATEGY - ANALYSIS

Majority of the internet users' access internet using the Mobile Phone, in some cases it seems to be the primary gateway. Nowadays, witnessing the fierce competition in the Retail industry especially in the online space, Sellers are leaving no stone unturned to increase volumes. Through Mobile, Marketing becomes focussed with only the customized content that the user is looking for at the particular moment which increases the chances of the Consumer to Shopper conversion increasing the customer base.

"A Mobile Application is customized software developed for smartphones which can enhance the user experience as against the mobile web portal with much convenience and also relatively faster" Quick look at the number of downloads from Google play store / Apple Store confirms the well liked trend of the mobile applications.

Increased Smartphone Usage

The Studies prove that the 2015usage of the internet using mobiles increased significantly – Below is the quick snapshot comparing the smartphones Vs desktops based on the telecom companies' annual reports analysis on use of Smartphone versus desktop during the period of 2011-12 to 2015-16 has shown that the usage of Smartphone has been increasing abnormally, the usage of Smartphone for the online shopping in the year 2011-12 by 30 million people and it has raised to 380 million by 2015(see figure 1.2)
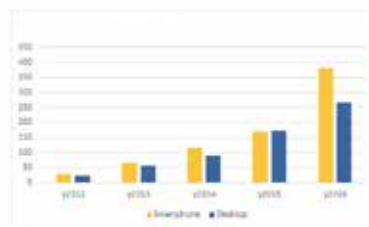

Figure 1.2: Use of Smartphone and Desktop during the year 2011-12 to 2015-16

Source: Telecom Companies Annual Reports Avendus Analysis

Companies like Flipkart and Myntra report that according to their internal research 70 percent of their sales were from mobile applications. Further there is a continuous increase in the new mobile internet users, which in turn are probable online customers positively.

UTILIZING ATTENTION SPAN – MINUTE MOMENTS:
For sure Smartphones have disrupted our lifestyles. They have greatly changed everything in our daily lives including the way we shop. With the each step in the shopping experience of the customer is intent driven micro-moments. Having got the Smartphone in hand any impulse can make the customer to complete the transaction through mobile application easily than on the website. Considering present decreasing attention span of the customers and lower patience levels, it is relatively easier to provide all the relevant information through mobile notifications, which serves the marketing purpose qualitatively. Winning a transaction at the moment is the key, if customer gets all the information at that micro moment the sale is done. Ultimately, studies say the brands that address the needs of the customer at that micro-moment win.

According to Google/IPSOS, US, March 2015 ,
A remarkable percentage (82%) of the Smartphone users turns to their phone to influence a purchase decision while in a store.
Having Smartphone has given an opportunity to most of the users (62%) to go for more likely to take action right away toward solving an unexpected problem or new task.
Smartphone users (90%) have used their phone to make progress towards a long term goal or multi-step process while "out and about.
Highest percentage of Smartphone users (91%) turn to their phone for ideas while doing a given task.
Considering all the above statistics, Mobile Application based selling will certainly boost the mobile commerce industry.

With the above changes, Organizations clearly understood the need for shifting their focus from Portal to App only Strategy to win the competition and maximum market share facilitating customer.

BENEFITS SHOPPERS GET VIA APP:
Personalized Content – Via Mobile Application, Organizations can start a continuous conversation with the customers. Information related to the last product search or reminder about their deserted Shopping cart can be sent to them. Also based on the location, user can receive relevant deals at the right time like offers, discounts.

Better User Experience – If the user downloads the application on their mobile, it is noticed that navigation is relatively faster when compared to website. As the App is specifically built for the Smart phone, user can experience all the features better say right from searching products till the delivery tracking.

Portable – As smart phones are hand held devices, it is with the user almost all the time. Having got this convenience, the customer can complete the shopping any time whether in travel / in a queue unlike website.

Notifications – While downloading the App, if the user opts and allows for notifications to be sent, all appropriate offers, discounts are received which will benefit the shopper

Convenient and fast – Accessing applications on Mobile is relatively faster considering the way they are designed. Almost all the apps can be downloaded for free, which are very handy for the customer at any point of time.

Feedback / Reviews – Using app, customer can provide the feedback / reviews / comments regarding the recently purchased product very quickly thus gaining the required attention.

Secured Payment Options – Mobile Apps provide additional payment options like Mobile Wallets / verification of the payment through OTP (One time Transaction password), Virtual cards. Also as the mobile wallet payments are linked to the specific mobile number there is an additional security for the customer.

Most appreciated functionality with added security is that the from the second time onwards the transactions can be completed in two steps with the saved payment details.

Few of the e-tailers are providing the option to shop offline to facilitate the consumer via mobile – Once the App is downloaded and even the user is off the network, he/she can continue adding the products to the cart to save time and as soon as the shopper is back online , any recently added discounts / offers are automatically considered before check-out and payment process.

More safe and can be trusted as all the transactions are private and related to mobile number, even the user changes the handset all the details and earlier transactions including the saved in progress one's can be moved and visible via cloud technology conveniently.

FIRE MODEL AS FEASIBLE APPROCH - PROPOSED
The proposed FIRE Model by the researcher, has a source to answers and addresses all the aspects from the organization perspective, right from the factors that affect the shoppers buying process, integrating all of them via continuous research, finally incorporating all of them as a value addition to the shopper which helps in speedy decision and pleasant experience shopping via App.
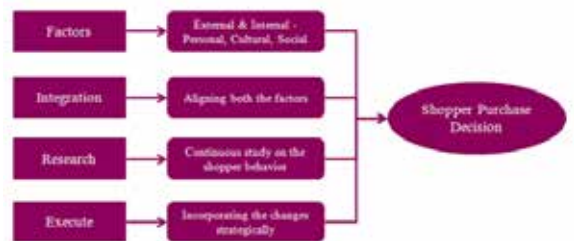

Figure: 1.3: FIRE MODEL

Source: Author derived model, based on Efthymios, "Influencing the online Consumer's behaviour: The Web Experience", Article in Internet Research, impact factor 1.66, DOI: 10.1108/10662240410530835 · Source: DBLP, April, 2004

It is evident that there are lot of factors both Internal and external that controls the shopper all through the decision process. These can be broadly divided into External as – Demographic, Personal, Cultural, Social, and Economic (see the figure 1.3); whereas the internal factors can be divided as Knowledge, Thought process, approach, perception, Self Esteem. Usually the external and internal factors both affect the shopper's decision process.

It is recommended that organizations need to continuously do the necessary research to analyzing the shopper behaviour in order to save from the fierce competition. With the rapidly changing demands and expectations of the consumers, it is pre-requisite to understand, so that all these can be integrated in the Marketing plan and also the Mobile Application primarily as well as the Portal also to retain that segment of shoppers.

Finally, the points identified needs to be incorporated in the Mobile Application, which will make customers feel that these are immediately addressed.

With the technological advancements, the organizations needs to concentrate more on the inclusion of the expectations in the mobile applications as a reality, travelling along with the customers fulfilling their wishes. These are the Organizations which will foster in the future.

To support the model with an example for a better understanding, say if we take any Online Grocery Mobile Application, Both the internal and external factors influence will be clearly visible on the shopper. Usually the area they live, their income levels, Occupation, their social movement, Perspectives will influence their purchase process. As a researcher, Organizations are advised to concentrate more on aligning the customer expectations. Usually in the salaried segment it is noticed that there will be a rise in the purchases in the first week of the month, whereas the young working segment in IT space, prefer groceries purchase weekly as they are more comfortable with the technology using the app, trying to search for the better offers and discounts.

Also once a new expectation or an issue is identified, the organization need to swiftly try to implement them in the mobile application taking help of the technology, it can be as simple as facilitating the customer with their Monthly / Weekly Grocery List, Provision to select from the Old purchased list, or it can be a suggested list that searches the frequently bought items applying at the moment offers / discounts on them.

MANAGERIAL IMPLICATIONS:
Having understood the advantage of technology in business, organizations are trying to utilize the mobile application to work for their business. However companies should also consider the new customers who are yet to adapt to the app based shopping, also the existing customers who are not so tech savvy and are comfortable shopping through website. With this, not to lose that segment of customers to competition it is recommended to continue concentrating on both website and app.

Providing additional benefits while they shop on the App will help boost the switch from portal to mobile application shopping.

One of the key and significant factors in online shopping is customer satisfaction, the simpler the process of the overall transaction the better the Shopping experience to the customer.

Hassle free Returns policy - Like No Queries asked, will create more happiness for loyal customers, at the same time merchants have a keep an eye on the misuse of the policy Good Service will always help build the trust in the customer community, like free delivery and No shipping charges, Delivery availability to all the Pin codes, especially the Post-purchase issues handling. Companies are recommended to check the reviews online regularly, say under the particular product or related to seller or related to the overall app at the play store and help the customers appropriately in time closing the communication properly. Same approach needs to be followed on the social networking sites like face book, twitter strategically to enhance the customer satisfaction building relation.

Security while performing the transaction is what it bothers the online shoppers all the time , to build the trust companies should give options like Cash on Delivery , Pay via Credit / Debit card on delivery , Virtual cash wallets , third party verification.

Conclusion
One of the significant changes that the e-commerce industry noticed is the rapid growth of the internet usage using the smartphones. This became the advantage for the online selling companies as mobile is handheld and portable, opening up the opportunities for mobile based selling via mobile applications. This paper conceptually examines online shopper behaviour, challenges that user experience using the portal, ben-

efits of using mobile application and further the e-tailers shift from portal to app only strategy. The author also proposes the FIRE model facilitating for the future researches. The companies that foster in the future are those which concentrate their strategies innovatively on mobile at the same time focussing on the website not losing that segment of customers.

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