E-SHOPPING- PROBLEMS & PROSPECTS - A STUDY WITH REFERENCE TO CUSTOMERS OF MANGALORE CITY

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ABSTRACT

The modern way of shopping is e-shopping. Revolution in information technology has made e-shopping a possibility. Now a days, more and more consumers prefer to shop for products using electronic media. Moreover increase in the number of internet users especially the younger generation has made e-shopping quite popular in India. The study is basically conducted to know the problems and prospects of e-shopping. For analyzing the problems and prospects of e-shopping data has been collected through questionnaires. From the study it is found that, although e-shopping can be very convenient and beneficial there are also some potential problems that can arise.

Keywords: E-shopping, Customers, Online, Products, India.

Introduction:

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. Michael Aldrich is the man who invented online shopping/e-shopping in 1979. E-Shopping has become increasingly popular all over the world. In fact, now a days, e-shopping is one of the most popular internet activity. Recently, there has been an exponential rise in consumer spending. At the same time, due to modernization and fast paced life, more and more consumers are looking for an easy way to shop since their time is increasingly under pressure. E-shopping provides a way out. Even, in India e-shopping has become very popular. According to the annual online shopping growth report compiled by Forrester Consulting and Google search trends, India will have 100 million online shoppers and the country's e-tailing sector will become a $15 billion market by 2016. The report also projected that 40 million women are estimated to shop online in India by 2016. The findings suggested that women buyers in tier 1 cities were more engaged in online shopping, and outspend men by nearly two times, splurging on categories such as apparel, beauty and skincare, home furnishing, baby products and jewellery. According to Nitin Bawankule, industry director for e-commerce, local and classifieds at Google India, 'women buyers are set to become the most significant contributors to the growth of online shopping and there is a huge opportunity waiting to be unlocked in this user segment'. Even then e-commerce in India has not picked up as much as it should have because traditionally Indians are conservative in their approach to shopping. They want to touch and feel the product before buying it. They are also not the ones to accept the price at its face value as they would like to negotiate the price. More over lack of computer knowledge and internet access, lack of security are also major problems.

Literature Review:

Sharma and Mittal (2009) in their study "Prospects of e-commerce in India", mention that India is showing a tremendous growth in E-commerce. Undoubtedly, with the population of millions of people, online shopping shows unlimited potential in India... Today E-commerce is a common word in Indian society and it has become an integral part of our daily life. There are websites that provide goods and services in a variety of categories such as apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, consumer electronics, household appliances, jewellery, audio/video, entertainment, goods, gift articles, real estate and services. Zia Ul Haq in his study 'Perception towards Online Shopping: An Empirical Study of Indian Consumers' said that, Consumers are playing an important role in online shopping. The increasing use of Internet by the younger generation in India provides an emerging prospect for online retailers. Khushboo Makwana, Khushboo Dattani and Himanshu Badlani in their study 'A Customer Perception towards Online Shopping- An Exploratory Study' opined that, Consumers are increasingly adopting electronic channels for purchasing their daily

needed products. Recent years have shown a growing interest of customers in e-shopping. The globalization of competition and development of information technology have enhanced customer awareness and created a situation where people prefer shopping online. Jyoti Arora (2013) in her study 'Prospect of E-Retailing in India' said that, Consumer's perception regarding shopping has been changed with the introduction of internet media. Retail industry has witnessed major revolution in the changing technology oriented business scenario of 21st century in India. Internet has shrunk the entire World. The rules of the game in retailing are fast changing with the introduction of Information Technology. The e-Retailing website is the front door of the online store that interacts between the e-retailer and consumers. The electronic retailing (e-Tailing, e-Retailing, internet retailing etc.) is the model of selling of retail goods using electronic media, in particular, the internet. Changing demographics (youthful India), changing lifestyles and exposure to the developed markets give a fillip to e-Retailing industry. One can buy anything from stereos to iPod's without stepping out through internet media. E-Retailers serve 24 hours x 7 days in a hassle free manner to consumers. Along with advantages of e-Retailing some major issues are associated with e-Retailing such as lack of personal touch; cyber crime; bargaining is not possible and e-illiteracy among rural India. Consumer's cognizance; internet literacy of consumer and wider use of internet with cyber security are some of the noteworthy factors which are vital for the sustainable development and growth of e-Retailing in India. Nidhi Vishnoi Sharma and Varsha Khattri (2013) in their study 'Study of Online Shopping Behavior and its Impact on Online Deal Websites' mentioned that, marketplace is fast turning into e-marketplace. From needle to ship, everything is being sold and bought on the internet. With new and new players coming in, it is but natural for the existing players as well as new entrants to come up with innovative techniques to sell their goods and services. Offering 'deals' and 'lucrative discounts' are one such glamorous trend. The authors have tried to examine the factors which lead people to buy these discount coupons and the consumer behavior towards them. Dahiya Richa (2012) in her study 'Impact of Demographic Factors of Consumers on Online Shopping Behaviour: A Study of Consumers in India' opined that, online shopping is a recent phenomenon in the field of E-Business and is definitely going to be the future of shopping in the world. Most of the companies are running their on-line portals to sell their products/services online. Though online shopping is very common outside India, its growth in Indian Market, which is a large and strategic consumer market, is still not in line with the global market. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India.
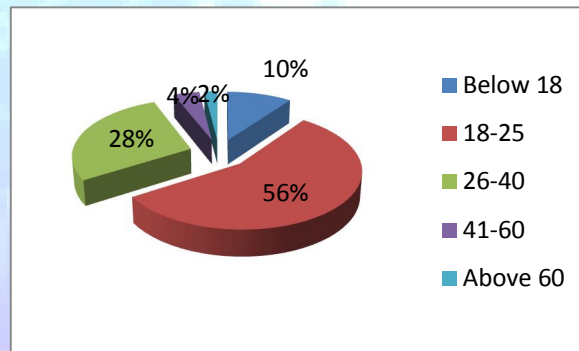
Results and Discussion:

Chart 1: Gender of Respondents
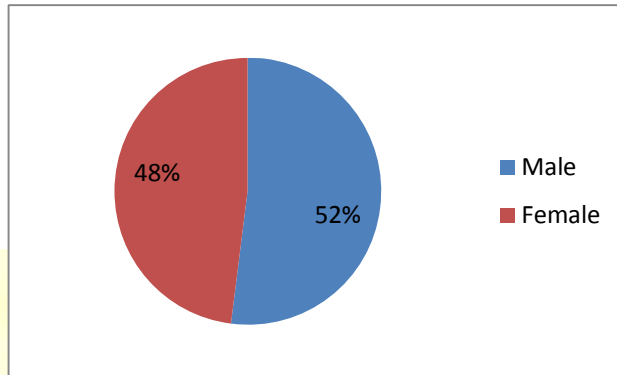
Source: Field Survey

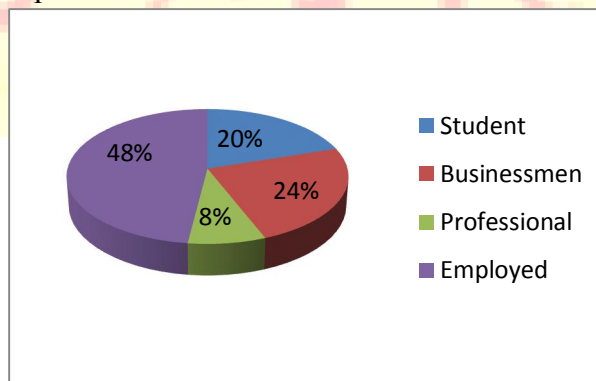52% of the respondents are male and 48% of the respondents are female.

Chart 2: Age of Respondents

Source: Field Survey

10% of the respondents are below 18, 56% are between 18-25, 28% are between 26-40, 4% are between 41-60 and only 2% are above 60.
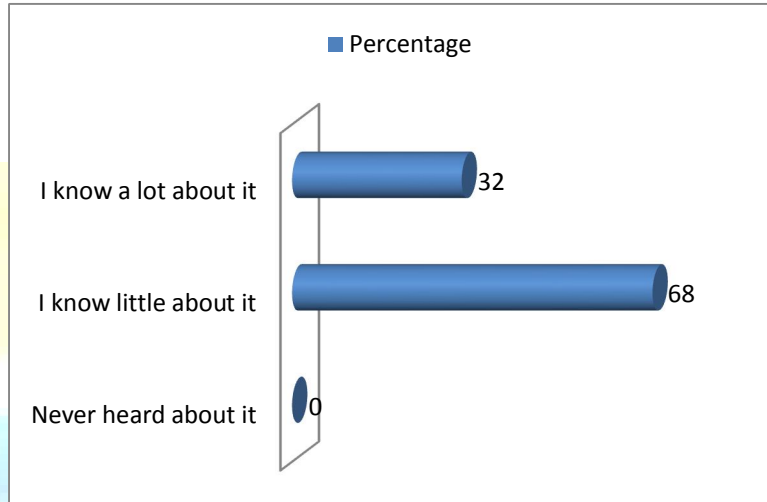
Chart 3: Occupation of Respondents

Source: Field Survey

20% of the respondents are students, 24% are businessmen, 8% are professionals and 48% are employed.

Chart 4: Awareness of E-shopping

Source: Field Survey

68% of the respondents know little about e-shopping whereas, 32% of the respondents know a lot about e-shopping. As e-shopping is a recent concept, majority of the customers know little about it.
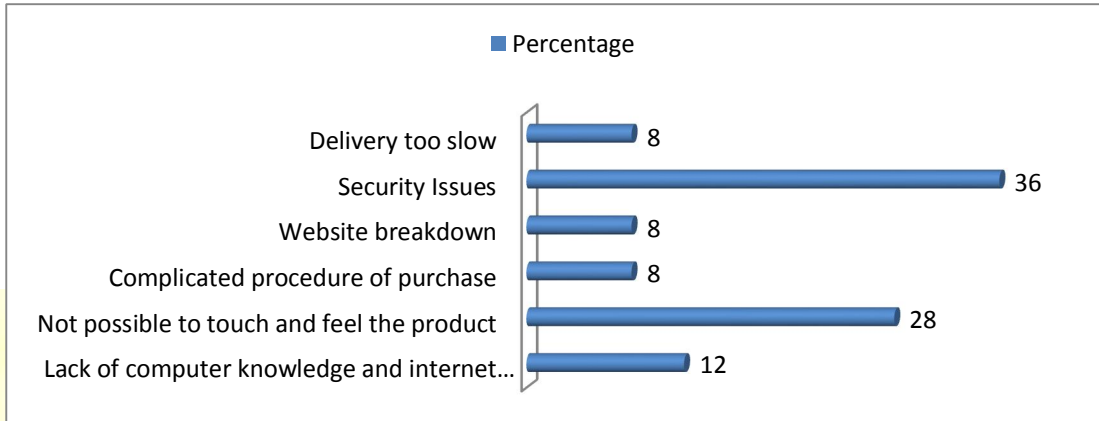
Chart 5: Customers who Purchase Products through E-shopping
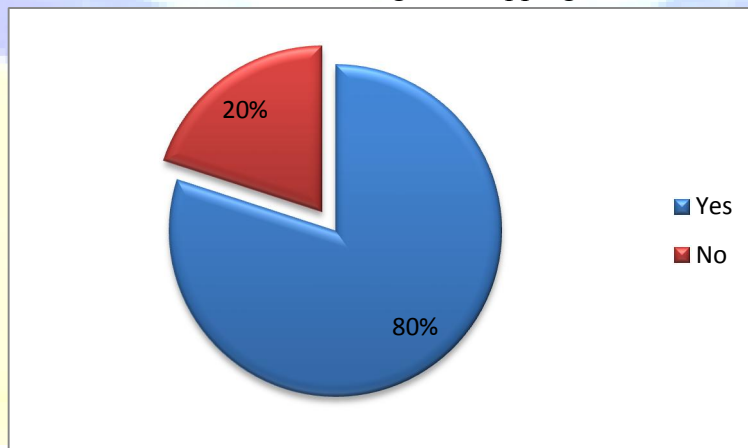
Source: Field Survey

80% of the respondents purchase products through e-shopping where as 20% do not purchase any products through e-shopping. This shows that, a lot of customers now prefer to buy products using electronic media as it is a modern way of shopping.

Chart 6: Barriers to E-shopping

Source: Field Survey

36% of the respondents feel that the main barrier to e-shopping is security issues, for 28% not possible to touch and feel the product and for 12% lack of computer knowledge and internet access, for 8% slow delivery, for 8% website breakdown and for 8% complicated procedure of purchase. Increasing cyber crimes and financial frauds has shaken the confidence of the customers in e-shopping. As Indians are very conservative in their approach to shopping, they are driven by the need to touch and feel the product before buying it which is not possible in e-shopping. Moreover, e-illiteracy is another major hurdle.

Chart 7: Reasons for Customer Preference towards E-shopping
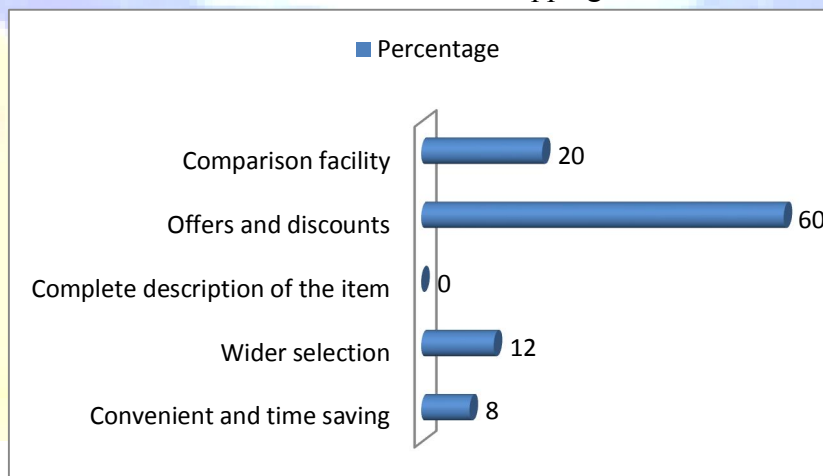
Source: Field Survey

60% of the respondents prefer e-shopping because of the attractive offers and discounts, 20% prefer e-shopping as it provides comparison facility, 12% prefer e-shopping because there is wider selection and 8% prefer e-shopping because it is convenient as well as time saving.

Chart 8: Websites Preferred by the Customers
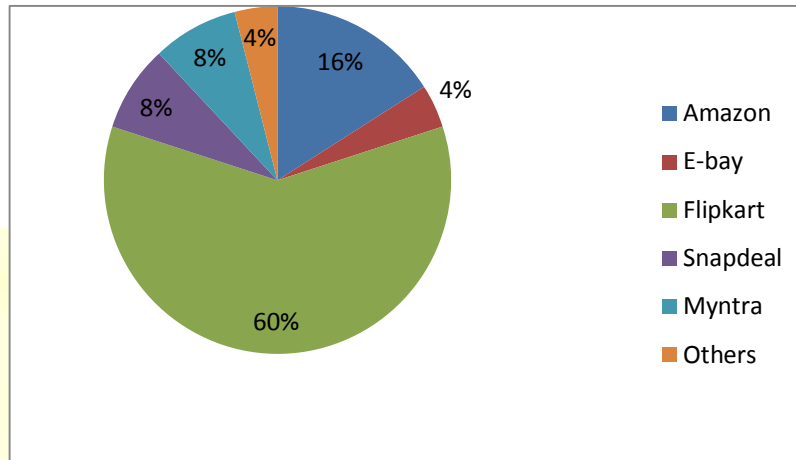
Source: Field Survey

Majority of the respondents i.e. 76% prefer to purchase products from Indian online stores. Moreover Flipkart is the most preferred website as it has a wide range of products with attractive offers and discounts, convenient modes of payment and good system of delivery and also due to its prompt reply to customer grievances.

Chart 9: Products Frequently Purchased by the Customers
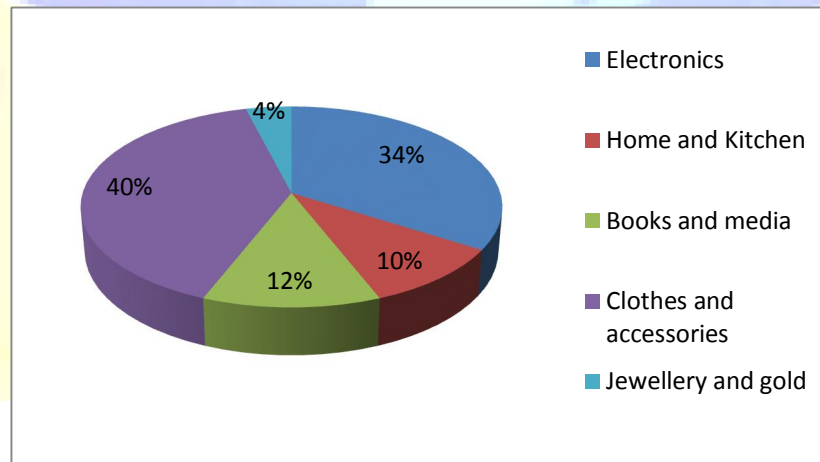
Source: Field Survey

A major portion of the respondents purchase clothes & accessories and electronics that is, 40% and 34% respectively. 12% of the respondents purchase books and media, 10% purchase home & kitchen appliances and only 4% purchase jewellery and gold. Clothes & Accessories and Electronic items are the products often purchased by the customers online, this is mainly due to

attractive offers and discounts on such items and comparison facility. Very few customers are willing to purchase items like gold and jewellery online, which indicates lack of trust.

Chart 10: Price Range of Products Purchased
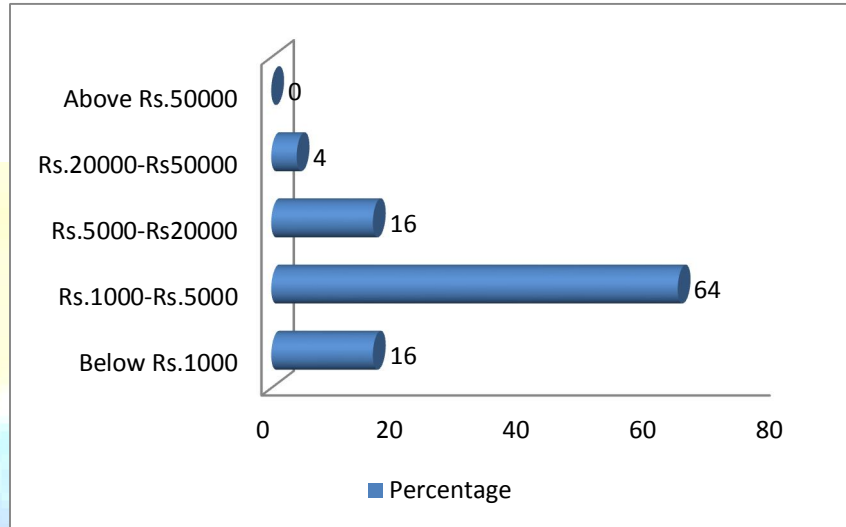
Source: Field Survey

16% of the respondents purchase the products priced below Rs.1000, 64% purchase the products priced between Rs.1000-Rs.5000, 16% purchase the products priced between Rs.5000-Rs.20000, only 4% purchase the products priced between Rs.20000-Rs.50000 and none have purchased products priced above Rs.50000. Majority of the customers are willing to buy products ranging upto Rs.5000, as customers lack confidence in online stores to shell out more than that.

Chart 11: Customers who visit Retail Stores before Purchasing Online
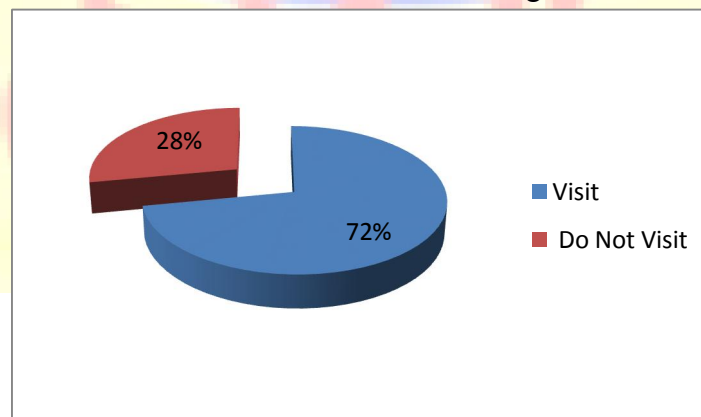
Source: Field Survey

The wider portion of the respondents i.e., 72% visit retail stores before they purchase online and rest of them do not visit the retail stores. It signifies the need to touch and feel the product and check out its features before actually buying it online.

Chart 12: Frequency of E-shopping
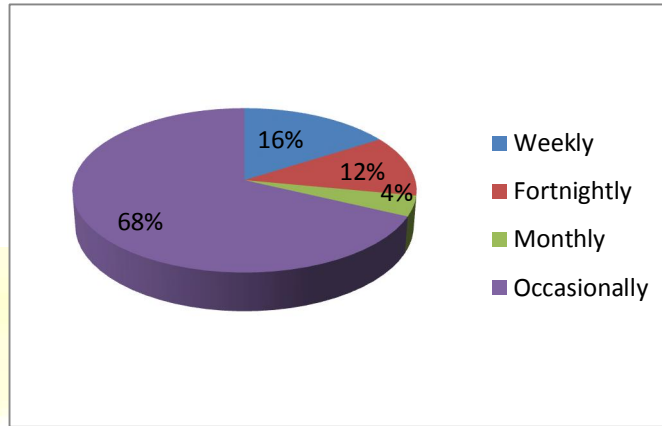
Source: Field Survey

While 68% of the respondents purchase products online occasionally, 16% purchase weekly, 12% purchase fortnightly, 4% purchase monthly. As majority of the customers are occasional buyers, it indicates that even though e-shopping is gaining popularity, customers still continue to rely on the traditional way of shopping.

Chart 13: Customers who feel Safe Purchasing Products Online
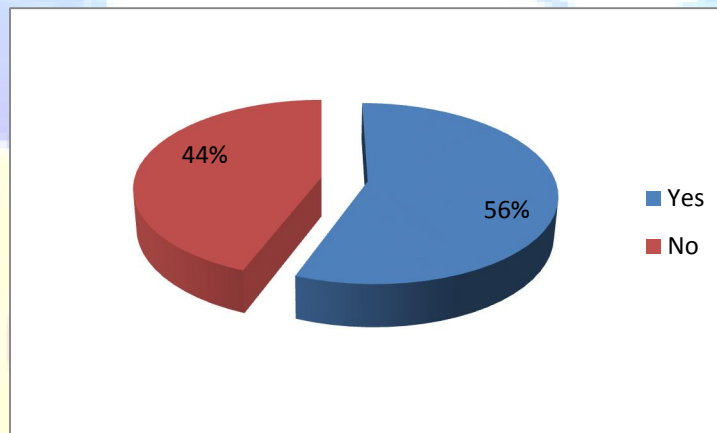
Source: Field Survey

56% of the respondents felt safe purchasing products online whereas, 44% did not feel safe. This shows that a good number of customers feel safe and confident to purchase products online but at the same time there are quite a few customers who still do not trust this modern method of shopping.

Chart 14: Reasons why the Customers feel Insecure while Purchasing Online
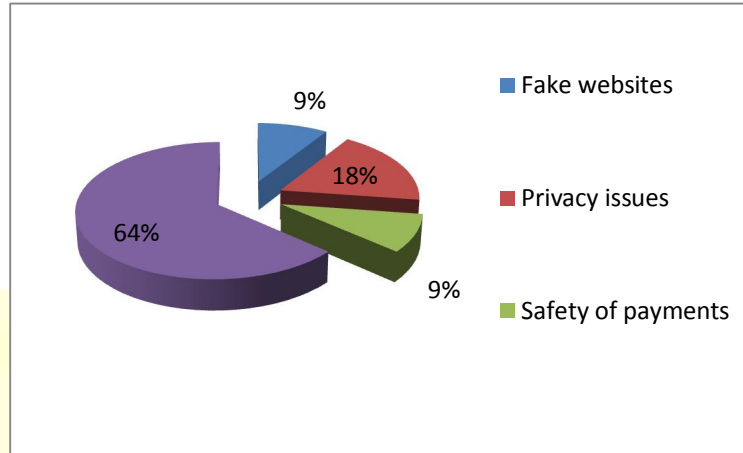
Source: Field Survey

Majority of the respondents that is, 64% felt insecure purchasing online as it is difficult to return or exchange the product, 18% felt insecure due to privacy issues, 9% felt insecure because of fake websites and 9% felt insecure with the payment methods.

Chart 15: Payment Mode preferred by Customers
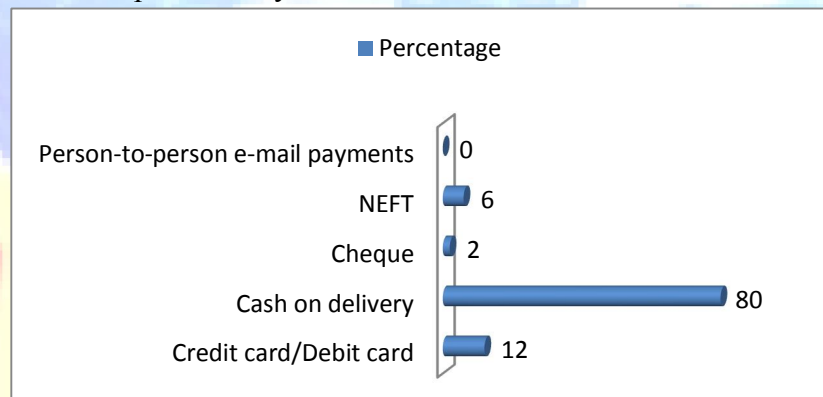
Source: Field Survey

A large number of respondents i.e. 80% chose cash on delivery as their preferred mode of payment,12% of the respondents said that they make use of credit cards/debit cards, around 6% of the respondents make use of NEFT and 2% make use of cheques. At present, there is lack of strong and secure online payments mechanism. Even internet banking system and online payments mechanism are not upto the mark. Moreover, ATM frauds, credit card frauds, internet banking frauds are rampant therefore more and more customers prefer cash on delivery.
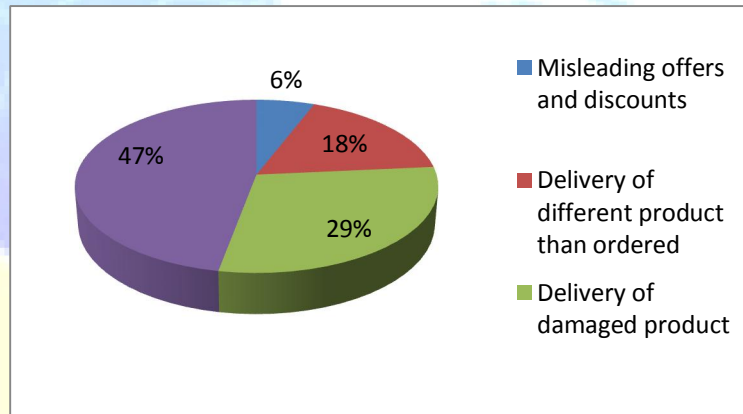
Chart 16: Customer Satisfaction towards Time taken for Delivery
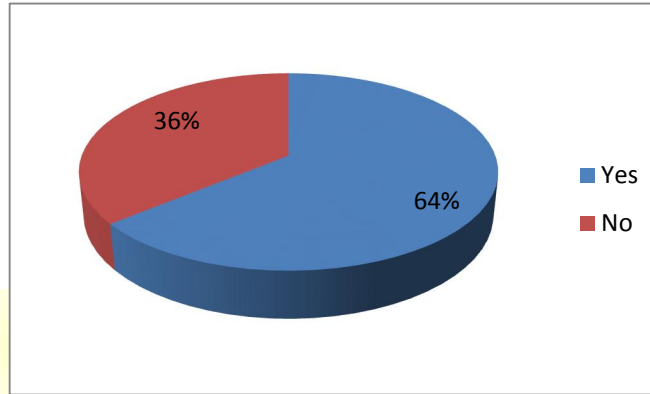
Source: Field Survey

64% of the respondents are satisfied with the time taken for delivery whereas, 36% are dissatisfied. On an average, most of the online stores are able to deliver the products to the customers within 7 days.

Chart 17: Various Means through which Customers have been Cheated

Source: Field Survey

47% of the respondents are cheated by non-delivery of ordered product, 29% by delivery of damaged product, 18% by delivery of different product than ordered and 6% by misleading offers and discounts. A large number of customers have been cheated through non delivery of ordered product, which is mainly due to reasons such as lack of proper system of delivery, increase in the number of fake websites. Similarly a good number of customers have been cheated by delivery of damaged product.

Chart 18: Customers who often come across 'Product Out of Stock' while E-shopping
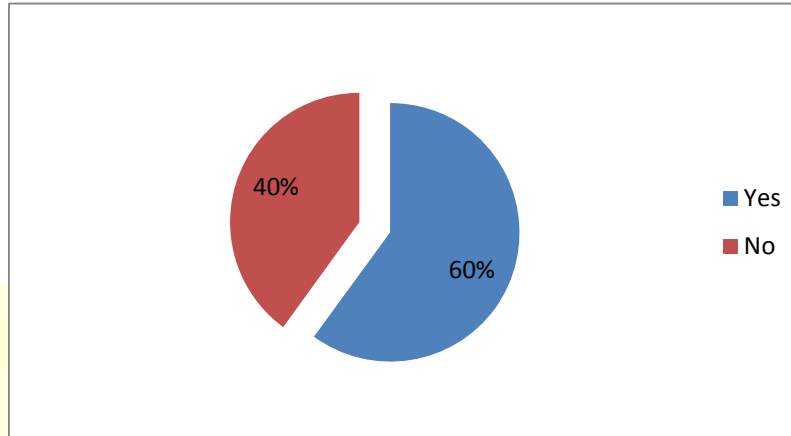
Source: Field Survey

Majority of the respondents that is, 60% have often come across 'product out of stock' while e-shopping whereas the rest 40% have not faced such problem.

Findings:

From the study, we have found that the customers are aware of the modern way of shopping i.e. e-shopping. But, as e-shopping is a recent concept, majority of the customers have little knowledge about it. Even then, a good number of customers have explored e-shopping mainly due to the attractive offers and discounts. Similarly, possibility of comparing the products, wider selection of products and convenience and time saving are also some of the reasons for customer preference towards e-shopping. The study also revealed that, a large number of customers prefer Indian online stores for e-shopping. They mainly purchase products such as clothes, accessories and electronic items but are skeptical when it comes to purchasing gold and jewellery online. Moreover they are not willing to shell out for products priced more than Rs.5000 when it comes to e-shopping. When it comes to mode of payment, cash on delivery is the most preferred mode. The study also threw light on some of the problems faced by the customers while e-shopping. According to the study the three main barriers to e-shopping are security issues, non possibility of touching and feeling the product, lack of computer knowledge and internet access. Along with it, slow delivery, website breakdown and complicated procedure of purchase also hinder e-shopping. It was also found that majority of the customers have the habit of visiting various retail stores, as they are driven by the need to touch and feel the product before buying it online. The study revealed that a large number of customers are reluctant to buy online because it is difficult to return or exchange the product. Concern for their privacy, safety of payments and increasing number of fake websites also make customers insecure about buying online. A large number of customers have been cheated through non delivery of ordered product, delivery of damaged product and such other means. While e-shopping the customers have often come across 'product out of stock' which has discouraged them from shopping online.

Suggestions:

• As e-shopping is a recent concept, customers know little about it so more awareness needs to created about e-shopping.

• In order to make the customers feel more secure while e-shopping banks and financial intermediaries should pay more attention to cyber security. It is also essential to create awareness about cyber laws.

• Better computer facility and internet access is to be provided to the people and e-literacy is to be promoted.

• Websites should be designed in such a way that the customers are given sufficient information about the products. Moreover the procedure of purchase is to be made easy and the websites should have the required speed to do fast business, especially during sale, deals and discounts and website breakdown is to be avoided.

• The product ordered by the customers should be delivered to them, and in good condition so as to build their trust in e-shopping, as the study revealed that non delivery of ordered product and delivery of damaged product were the main ways in which customers have been cheated.

• The return policy should also be clearly explained. Consumers need assurance that they can make hassle-free returns, especially for categories such as apparel where it is difficult to determine product quality and fit without physically viewing and trying on.

Conclusion:

E-shopping has become very popular in the recent years. This is mainly due to the changes in the lifestyle of the people. E-shopping has offered them a lot of benefits such as convenience, wider selection, best price, product comparison. But along with these benefits there are some major problems associated with e-shopping such as security issues, e-illiteracy, complicated procedure of purchase, non possibility of touching and feeling the product, non delivery of ordered product and delivery of damaged product. Even then, with the increasing number of internet users and majority of the population belonging to the younger generation the prospect of e-shopping in Mangalore city is bright.

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