Critical Diagnosis of research on online retailing in India: A Study towards futuristic Pathway

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Introduction:

Changing world, changing technology & responding to this is our changing lifestyle in India.
The researcher has attempted to review the scenario in the online retail area, where growing no. of Indians are using it. ASSOCHAM of government of India has recently given a testimony to this by reporting that the current Rs. 2000 Cr online retail will grow beyond Rs. 5000 Crs by 2015.

The researcher takes us through a chain of research work done & reviews of the same with a need of the hour for a solution pathway with respect to the online retail industry of India.

Rationale behind Study:
The rationale behind this study is to make way for the future research with a base of current scenario, which will take the research near the problem areas of Indian online retail industry to be given attention.

Objective of the research:
1) The aim of the study is to review the select research papers in Indian context of online retail industry, the consumer insights in online buying & current trends in the same.
2) To find out futuristic research scope in online retailing in India, this can lead to solution pathway to the industry.

1. As per the research of Ms.Asmatara Khan

The internet has become the lifeline of today’s world and E-commerce has replaced the traditional way of doing trade and commerce. It is no longer a matter of choice to use the internet as a means of advertisements, since people all over the globe are already connected by the net. A major spread of the Indian internet user base indicates a considerable growth and dependency on internet advertising and E-commerce. This spread has further influenced businesses to commit even more substantial budgets to advertising on the internet. With more and more advertisements and media features hitting the internet, there has been practically a deluge of advertisements that the consumer or in this case, the internet surfer has to contend with. It would not be an understatement to say that the internet environment is now literally crowded because of so much advertising. Companies are pouring money into creating more and more advertisements in a bid to communicate, inform and influence the buying behavior of consumers. It doesn’t stop at this. Advertisers balance the internet advertising efforts with commensurate advertising on the broadcast media as well.
Online shopping trends in India have been analyzed and indicate an increasing awareness
of procuring more information through websites. People are also depending more and more on the internet for purchasing books, booking tickets for travel, entertainment and music shows too. There is a gradual transition being seen in the young adult age group of 21 to 35 years into a zone in which customized products can be picked up from interactive and responsive websites. Though there are countless internet users who look up the internet and gather much information on several products and product categories on the internet, a much smaller percentage of them go ahead and buy the products online.

The research study, exploring factors influencing online buyers” attitudes and opinions towards E-shopping”, was conducted. The factor analysis brought out the following factors:

a) Product information and reliability
b) Website design and nature
c) Influence of internet advertisements on E-shopping
d) Future of E-shopping

Their research is confirmed by the results. It is also seen that in addition to the above factors influencing the attitudes towards E-shopping, two other components –

a) product information and b) website design and nature, mattered the most because their average score was higher than the overall average.

2. Further Prof. sandip prajapati & Prof.mital thakor (“understanding consumer online shopping attitudes and behaviour: contribution from technology, tradition and trust perspective”, Asian Journal of research in marketing, Oct 2012 issue) have gone in depth to understand various points like who use the internet, the purpose behind the use of net, whether they buy online or not. If yes which are the products they buy, if not, then what are the factors which stop them to do so. In this segment, we provided the respondents with a ranking scale to rate the assorted factors on the basis of their choice, to obtain their most and least preferred pick of those factors.

It was found that 94% of respondents are using internet and 6% of respondents do not use internet the main reasons which they suggest like, 35% are not interested and not able to assess net regularly and 23% are of having no resources and no time to check the details of goods. On the other hand, in 94% of internet users, maximum number of respondent using internet for mail checking and information search. Only 27% of them use to do online shopping and remaining 73% of respondent do not prefer online shopping because of lack of trust and they do not have credit card. While 59% of the respondents would like to purchase a product face-to-face because they are habitual to touch and feel the product personally.

As per our Indian traditions and rituals 42% of the respondents are used to go for shopping with friends and 38% of respondents use to go with family because most of the respondents feel convenience to go for shopping in group rather than alone. Most of the respondents give first preference to purchase a product from routine stores. If the product which they want is not available on their routine store they gives second preference for waiting a product. There are various reasons like worried about giving credit card number, Enjoy going out to do shopping, see and touch the product, don’t like to give personal information, familiarity, hassle of returning the product etc… with which respondents agree and because of this they are not using online shopping.

Transaction security is the first preferable factor for those respondents who will use online shopping in future because many of the
respondents believe that transaction security is one of the most important problems to prevent them for online shopping. This study shows that Internet, Television and friends, these three factors get the internet users more aware towards online shopping.

Online shoppers prefer to buy a product like books and hard-ware CDs through online because users are more advanced towards the new technology and availability of the product. 32% of respondents are use to purchase once in a month to through online and 20% of them use more than one time to purchase within a month.

Most of the respondents do not face any problem while online shopping but few respondents say that they are facing the problem like connection error, transaction error, and server down.

If we critically see the work, the factors which have come out governing the online retail behavior are

1. online transaction security,
2. information channels are television, internet & friends reference.

Scope: However the researcher finds that these papers also give scope to further study factors like various consumer’s preferences towards online buying.

3. Going further Mr. Manish Dwivedi & Mr.Kumawat Mahesh & Mr. Verma Sanjeev(ON-LINE RETAILING IN INDIA: OPPORTUNITIES AND CHALLENGES, Volume 3, 2012; International journal of Engineering & Management Sciences) have tried to analyze some of the factors which attracts the customers preferring the online purchasing.

1. Convenience Factor: Online retailers are moving towards enhancing the convenience factor and thus attracting the shoppers to use this channel. Moreover the growth of the mobile communication has led to the growth of the online retailing as people are more accessible to internet 24 x 7. Like in the case of purchasing from the physical market we have to wait for the shop to open and certainly we try to get our merchandise before the shop closes, but in case of online retailing there is no time limit involved. All you need is an internet connection and money in your pocket to pay the price and everything is at your doorstep.

2. Payment Mode: As compared to the earlier days where we have to make the payment in advance and wait for our order for weeks, now we make the order first and make the payment when the goods are delivered to us, WatchKart.com, lenseKart.com, FlipKart.com, etc. are some of the examples.

3. Delivery: For general type of products line DDV, CD, Goggles, books etc., are being delivered to the customer in 2 to 3 working days and the goods which are required to be produced like special print sarees, customized bags etc., are delivered within 5-6 working days. Moreover single unit of any product chosen by the customer can also be delivered transborder, which may not be possible to import in case of physical purchase.

4. Product Comparison: Without having to move from one shop to other for comparing the benefits of the product, the shopper gets the benefit of comparing the features and cost analysis at one place. Most of the sites are providing this facility wherein shopper can choose the product which exactly suits him.

5. Cost and Time Saving: a shopper saves a good amount of time and money by shopping online. In the metros and even in the smaller towns which are growing fast, the life of an average person has become very fast. He has very little time after his normal routine office schedule to go to the market and purchase even the daily need items.

Some Challenges
There could be a huge difference in the click to sale ratio of many e-commerce sites if they make the browsing experience hassle free. One of the biggest challenges is to offer merchandise to the consumer in such a manner that he "feel like buying" instead of the site "trying to sell." Most of the e-tailers want the customer to register first; only then one can enter the site. It’s like covering the windows of a showroom and asking the window-shopper for personal details if he wants to even window-shop.

1. **Slow change in the buying behavior:** Indians are still reluctant to buy on-line and prefer brick and mortar models. Indians still like to have a feel of product and spend time in buying.

2. **Inability of on-line retail players to sway customers from offline mode to on-line retail channel:** Lack of proper marketing and advertisement, inability to create a brand image, lack of proper usage of all possible on-line means like search engines, paid marketing, on-line ads, social networking, blogs etc to reach the customers. Inability of online retailers to drive the values a customer can derive by shopping on on-line channels.

3. **On-line portals are not up to the mark:** There have been few lacuna’s in the exiting on-line websites like poor front ends, website search options are not good, lack of sufficient information about products and terms and conditions, slow websites etc

4. **Lack of seriousness:** A lot of on-line portals have come up in India backed by major retail distributors but, for many it seems to have been just a one-time setup. Post this there hasn’t been enough drive to propagate the brand and services of the portals among potential clients. Our discussion with few portal owners gave us a feel that many big retailers have opened a website because their peers are doing so.

5. **Issues concerning security and transaction frauds.** In addition many of the web portals don’t support all on-line modes of payments. There are high occurrence of failed payments and this if often a deterrent for clients to revisit the portal.

6. **Competitors are just a click away.** When consumers search, they have multiple options available, and many use search to navigate the Web rather than type in or bookmark specific sites.

7. **Visitors can disappear in 15 seconds or less.** Online consumers are goal-oriented shoppers. If they don't immediately find what they're looking for when they reach your site or landing page, they're gone in under 15 seconds.

8. **Shopping is a multistep process.** Online consumers love to browse. Many spend a fair bit of time visiting several sites just to gather information. They may also compare the offerings of several competitors before hitting the "buy now" button.

9. **Time between initial visit and purchase has increased.** Increasingly financially challenged consumers may wait longer before buying.

10. **Customers wait for merchants' best offer.** Having been seduced during the holiday season with free shipping and handling and other price-driven offers, consumers have been trained to wait for a special deal.

This research gives the preference factors of the online buying consumers going to buy, but also gives further scope of consumer’s preferences towards these factors. Like there is a scope of study regarding which payment mode is liked by the consumer & for what reason.

show through their research the factors which are coming as the risks or serious concerns in the minds of online consumers of India:

**Factor 1** is the combination of vendor related items like products delivered may be defective & unsafe and may be lost during shipment.

**Factor 2** is the combination of psychological discomfort and tension, the way online shopping affects self-image. Items related to loss of time and physical injury are also loaded along as these concerns may indirectly cause psychological discomfort. This factor accounted for 12.85% of variance. Self image variable had almost equal loadings for both factor 1 and factor 2, but was considered in latter as it was more suitable.

**Third factor** accounted for a clear combination of all financial concerns.

**Factor 4** accounted for variance combining concerns like product purchased would not match web image

And its performance may not be as expected. Social and Time factors were loaded with single factors 'online purchase affects the way others think of me' and ‘product is delivered on time’ respectively. These two factors explained 7.9% and 7.8% of variance respectively.

Further the study of these factors showed that monetary risk is the biggest that consumer perceived. Risk towards online shopping is influenced mostly by monetary aspects. Next is performance risk which is considered another risk. Third is time risk is source risk. In fourth position Social and psychological risks are followed after the above risks.

This gives us the picture of the minds of Indian online consumers and their risks concerns.

Can we not say that the marketing strategies of the online retail companies are still not able to cater to these concerns along with the government policy framework. This gives us an opportunity & scope to find out in further research about the further perception of more consumers about these risks of various geographies. Also the researcher finds a big scope of doing the study on such concerns with respect to the big segment of customers of multi brand organized retail sectors who are not currently buying online.

This study has given us critical future guidelines regarding the perception study of both online shoppers & traditional shoppers.

5. The researcher has also gone deep in to the research report of A reputed consulting group of India i.e. Canadean. (Online retail Consumer Insights report 2012) This study is aimed at going deep in to the consumer insights about the online retail buying.

**Consumer Insight: Online Shopping Attitudes and Behaviors**

Despite low internet penetration, India was the fourth largest internet population globally in 2011. Government inefficiencies stifling broadband penetration in the country. Healthy competition in telecom sector keeps mobile tariffs affordable.

Some major findings of the study are saying that the Consumer Attitudes and Behavior are looking for these major attractions while buying

1. Shopping culture,
2. Infrastructure
3. Cash on delivery payment systems.
4. Timely delivery

But at the same time the following are being said as the road blocks to create these attractions in to reality at present.

1. inferior infrastructure and
2. lack of knowledge and trust play folly to online retail in India
3. Low touch products to drive growth in the online market.
4. Indian retailers reluctantly adopting cash-
on-delivery solutions to address payment issues armed with ample capital,
5. Rare online retailers are developing in-house logistics capabilities.

This research unfolds the further scope of perception study in deep about the online shoppers towards the promotional schemes & marketing of the online retailing companies in India.
Moreover this also gives brilliantly the in-depth idea about the current road blocks of the same industry.
But this study remains silent about many such roadblocks which are now occurring, like consumer protection, government policy, current internet payment systems of banks & last the internet awareness & usage spread in India.

This gives the researcher the further scope of study about the online shopper’s perception towards the marketing of online retail companies & major road blocks with their impact on the online retail companies’ marketing strategy.

6. A brilliant & focused study by Ms.Sita Mishra,(A conceptual framework for creating customer value in E-retailing in India,Oct-Dec 2009 issue, South Asian Journal of Management, page 128), though it is theoretical , puts before us the framework of the future online retail buying in India.

Framework of concepts says that there should be three stages on which the online retail companies, government & consumers should focus

1. Pre purchase stage
2. Purchase & transaction stage
3. Post purchase stage

In spite of the fact that the framework being conceptual, it covers the online buying phases fully and can be studied for the perception of the online marketing companies about their current marketing strategies in this light.
This gives us the scope of the study of the online marketing strategies of the online marketing business of the Indian multi-brand organized retail companies, who are driving the online retail in India with the focus of study will be following 3Cs
1. Core offers.
2. Complementary benefits &
3. Costs.

Conclusion:

The above journey of the review of current research on online retailing in India gives us the scope of the study on following areas;
1. Preferences of the retail customers towards online buying
2. Perception study of both online buyers & traditional buyers towards online shopping
3. A futuristic segment wise Study of problems & their impact on the current online retail industry
4. Study of the marketing strategies of the online retailing companies in India with respect to organized multi brand retailing.
Researcher also relates this with the current scenario of online retailing in India. According to the figures mentioned in introduction as per the ASSOCHAM of India, the expected online retail size is USD 2 Billion. Whereas as per IBEF (India brand equity foundation) the retail industry will be around USD 800 billion. Now if we look at the huge difference in the expected figures of both the industries, the potential reasons are the ones mentioned above as future scope of study in online retailing in India.

The research in this direction can be of great value to the solutions, this industry is currently seeking for.

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