

STUDY OF GROWTH IN ONLINE BUYING ACTIVITY OF CONSUMERS— AN INDIAN PERSPECTIVE

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ABSTRACT

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Over the past decade, there has been an enormous change in the way consumers shop online, despite continued buying from retails or physical stores. Now-a-days consumers have several options to buy either from retails stores, wholesale suppliers and Online stores. Online shopping offers benefits to both customers and businesses that lead industries switching to Online than retail outlets. Online buying is the solution to the busy lives of consumers to save time for modern individuals. Consumers wanted to explore the convenience and comfort than willing to spend more time in shopping. Does it mean, Individuals are becoming lazier with the penetration of Online shopping into their everyday life? whether anyone accepts or not, everyone likes to spend more time Online than physical stores. Why is it so attracting? Every organization also focused on the utilizing the power of Online and devising their own strategy for selling and marketing of products or services. Are there situations any Online only stores opened up the physical stores as well? To discover answers for these specific questions, we thought of understanding the literature on online buying in India. This paper begins with introduction to the online buying in providing the best experience to the consumers and explores further on growth in India in utilizing the online websites or mobile apps, depicts the role of online buying in influencing the services offered to the public and approaches business takes towards going online.

KEYWORDS: *Online buying, Online Marketing, Online Sales, Online stores, Mobile shopping*

1.INTRODUCTION

1.1.Background

Online shopping is the method whereby customers directly buy services or goods from a vendor in Realtime, without a transitional service, over the medium of internet. It is an arrangement of electronic commerce. Online spending in India has been rising very fast, only in 2012 online buying e-commerce site number has spanned to 600 from 100. For online shoppers, an online hypertext environment enables users to search and control information but influenced by shopper's attitude, motivation and orientation towards buying online.

With restructuring in business sectors and the radical changes in Information Technology(IT) sector, the acceptance of consumers' in terms of shopping condition and payment options have also expanded. Buyers now have the different

options of buying products or availing of services from offline and online shops. With the growing penetration of internet, these approaches of buying have become popular. People have many options regarding buying venues, but the most recent ones are buying through internet and Mobile using online shopping method.

It is quite evident that individuals became undetachable from internet and mobile devices, with the increase of time spent in websites and apps, online became a medium to buy products and services for self, family or friends. Even organizations are trying to explore ways to improve business and gain profits through their online presence. It became a way of tapping the power of the online marketing to promote new service offerings, products and breakthrough ideas. Every organization is trying to leverage their online presence and apply strategies for selling their products and services, including them as their business applications. Efforts are

intended to engage the customer, improve the customer reach, understanding their customer’s online behavior, analyze customer buying patterns, quickly provide related product information to advance the cross selling and upselling opportunities to promote their brands and progress through online stores with continuous improvements. People started online shopping for groceries, ordering food and perishable goods, booking tickets of air, train, bus, movie, sports and shows. With the changing environment in online shopping, opportunities improved for employment in several sectors.

Power of online stores: Some people consider it as best utilization of time while buying online where as others consider it as time pass. In any case, people spend sufficient time in online buying of products like groceries, medicines, movie tickets, furniture, electronics, mobiles, household items, videos, music, software etc., in simple terms from a pin to airplane. Some of the well-known online stores include Amazon, Flipkart, Myntra, Swiggy, Ola, Uber, OYO etc.

The first World Wide Web (WWW) server and browser, were shaped by Tim Berners-Lee in (Berners-Lee, 1994), put for commercial use in 1991 and subsequent innovations emerged like online banking, and Intershop Communications AG (1992) an independent provider of omnichannel commerce solutions, Netscape’s Secure Socket Layer (SSL) v2 encryption standard for secured data transfer and the online pizza shop by Pizza Hut prior to 1994. The first secure retail transaction over the internet was either by NetMarket (or) the Internet Shopping Network in 1994. As mentioned in “E-commerce turns 10” (Gilber, 2004). Immediately after that, Amazon.com launched its online shopping website in 1995 and eBay was announced in 1995 (Palmer, 2007). Alibaba’s sites Taobao was launched in 2003 and Tmall in 2008, respectively. Retailers are increasingly selling products and services through online shops is increasing with every year and listing them itself is a never ending.

Organizations are looking for reaching the customer, selling their products with variety, convenience, quality, ease of access, availability. Business are also trying to minimize their expenses towards staffing, warehousing, maintenance.

In general, perishable goods is one area where these Online services are greatly influenced by the freshness and quicker delivery.

Online shopping is an electronic commerce to purchase products or services from the vender through the Internet. Click and Order business model, i.e. Internet-based model has changed the traditional Brick and Mortar business model in the new age communities. In comparison to earlier, more and more people started using the online stores to buy a wide variety of products, from houses to shoes to airplane tickets. Today people have numerous options to select their products and services while they purchase through mobile or online platforms. Businesses using Internet has gained a new way of communication with the other vendors and organizations (Tekin, 2018).

Indian telecom industry has celebrated 2018 it has clocked 500 million Internet userbase in 2017 as compared with 400 million in 2016. When we look at the telecom trends, Top telecom operators in India will be making more investment in telecom networks in order to enhance the coverage of mobile Internet footprint. Bharti Airtel and Reliance Jio will be leading the pack in network expansion concentrating on their 4G networks country-wide. Other telecom providers like Idea and Vodafone are expected to workout cautiously in broadband network growth as their efforts will be on retaining their customers and integration of services.

1.2.Objectives of Study

The primary objective of the study is to understand the online buying its growth in India, usage of online buying with respect to the benefits and challenges.

Objectives are listed as follows:

- To study the existing research in online buying in India to understand the power of it and its influence on customer
- To analyze the various service offerings and practices in online buying to observe the extent of usage and hurdles in online buying.

Figure 1: Customer View of Online Buying



(Source: Own Interpretation)

In the above diagram the three regions briefly signify tenets of online buying into Experience, Logistics & Support, Risk-relievers:

1. Shopping Experience- Customer looks for the best shopping experience anytime, be it online or offline and the experience makes the difference for any organization’s reputation, brand image and

- profitability. Better the shopping experience, perceived to be selling more products and services to a customer or even to his referenced customer.
2. Logistics and Support – Especially online shopping required delivery at the prescribed location opted by the consumer, shipping and statuses at different stages are important to the customer, returns, warranties, repair & maintenance support are key components in the customer support.
 3. Risk-relievers – digital transactions, data privacy and confidentiality makes the people dubious about the online transactions. Organizations optimize their services to mitigate the risk involved by implementing proper guard rails to control the attacks on privacy and avoid compromising the customer confidential information.

This list is not detailed, but it supports to establish the diverse and intricate nature of the online buying.

We tried to describe the juncture of these three tenets in below points:

- a) Risk-Relievers required to take care of the logistical and Support issues – 24/7 customer support, responding to feedback, Quicker deliveries and status updates to the user.
- b) Risk-Relievers in conjunction with online shopping experience in terms of digital payments, ease of access, availability of products, search capabilities, in-site help, suggestions of promotions:
- c) Importance of shopping experience in conjunction with logistics and support - Reasonable delivery options, payment modes and options, chat bot to assist for delivery and warranty related queries.
- d) Best in class gets into the unification of all the three tenets the likes of Amazon, Flipkart, Ebay etc that makes the online shopping at ease and integrated with other online services like Amazon prime.

2.LITERATURE REVIEW

E-business and e-commerce and has been a topic of research for several researches, as until 2013, there were more than 600 studies presented discussing e-business implementation only (Chen & Holsapple, 2013). Currently when searched springer for “online shopping” it returns 8595 results with 513 webpages and 508 journals with 78 series of journals available.

Online buying: In a more related and simple description, online shopping can be defined as electronic commerce to buy products or services from the vendors, without a middlemen services, through the Internet. An online shop, Internet shop, eshop, e-store, webstore, webshop, or virtual store evokes the physical analogy of buying products at a bricks-and-mortar shop or in a shopping center (Wikipedia, 2019). Varying day-by-day preferences, choices, fashion and taste with regards to diverse factors such as the emergence of Internet and consumer’s behavior. Prior research identifies a general model of purchasing behavior that shows the processes used by consumers in making a buying decision (Vrender, May 2016). Those strategies are dominant to the merchants as they can describe and predict buyer purchasing behavior. Amazon and Ebay are the market leaders the world of online shopping, however local shopping and deal sites like Flipkart are more popular in India. Indiafreestuff.in conducted a survey to understand the top 10 online shopping websites in India. The way they ranked is by considering the votes by all online

shops ranked by people 1 being the top and 10 the lowest, the lower average assumes to be the best rank, Amazon.in the best ranked site as of 17-Sep-2019.

Real averages of these sites as follows: Amazon:4.15, Flipkart: 4.24, Snapdeal: 4.52, Paytm: 4.85 , Ebay.in: 5.00, Jabong.com: 5.09, Myntra: 5.12, Shopclues: 5.60, Pepperfry: 5.81, Homeshop18: 5.99. Then the next 10 popular sites follow as Nearbuy.com, Zovi.com, infibeam.com, firstcry.com, indiatiimeshopping.com, lenskart.com, Croma.com, Koovs.com, Americanswan.com, Zoomin.com

Also, now all most all sites including Shopclues, PayTm, Ebay offers great deals of day or week which one can’t resist like Sunday Flea Deal, Jaw Dropping Deal, PayTm karo, Ebay, Amazon Lightning Deals, Amazon Happy Hours , Sankalp deals, Flipkart offers, Homeshop18.com Superdeals etc.

Despite a growing number of online buyers and offering of wide variety of products, one finds scarcity of research work commenced with a emphasis on demographic variables particularly gender and the attitudes; perceptions and profiling of online customers worldwide and exclusively in India. An attempt has been undertaken by the researchers to expose attitudes of online buyers reflected through their online spending activities as follows.

Hoque et al. specified that customer attitudes toward online buying usually been determined by following two factors; first one is trust, and another one is perceived benefits (Hoque, 2015). Al-Debei et al. mentioned that trust and perceived benefits appear to be the critical inferences of consumer behavior toward online buying (Al-Debei, 2015). Moreover, Katawetawaraks et al. suggest that website design, information quality, transaction capability, payment, delivery, merchandise attributes , security and privacy, self-consciousness, customer’s attention, the consumer’s time sense and post purchase customer service are powerfully predicting the online shopping satisfaction (Katawetawaraks, 2011).

Anne Sophie, focused on the presence of new types of risk and new risk-relievers in e-buying conditions. A qualitative study was steered in order to classify risk dimensions and relievers. The relation between risk and risk-relievers were considered into account. A study was done quantitatively to measure apparent risks and risk-relievers, and offered as a cluster analysis of customer risk reduction behaviour based on scores of risk-reliever utility. Author identified different types of risks such as risk of Security, confidentiality and credibility those were seems to be the strongest risks. The outcomes suggested that online sellers should build websites that are not only useful to showcase product, data security, and respect data privacy, but it should be reliable to reduce risk related with purchasing of products or services. Higher observations of security and privacy were found as highly connected with an ability of safeguards for personal data (Anne-Sophie, 2002).

Shwu et. al. observed relationships between Internet users’ fears and perceptions of online buying. The attitude of users toward online buying was measured using association between the attitudes and influence factors to effectively measure purchaser characteristics. Author analyzed the influences affecting consumer’s online behavior and studied how e-marketers can affect the outcome of the virtual interface and buying progression by focusing their promotion efforts

on elements determining the customer's practical experience with comparison between physical and Internet channels (Shwu-Ing Wu, 2011)

In a slightly different study, Chanaka Jayawardhena (2004) considered on a Value-Attitude-Behaviour Model to examine the role of individual values in online buying behaviour. Structural Equation Modelling recognized that personal ideals such as self-direction, satisfaction, and self-achievement were expressively related to constructive attitudes towards online spending. Individual attitude towards online buying was direct predictor of purchasing behaviour, and mediated the association between personal values and online shopper's behaviour. This hierarchical association among personal values, individual attitudes and buying behaviour were exploited by e-tailors to position online shops that provides a convincing means to e-shoppers to satisfy needs of online shoppers (Jayawardhena, 2004)

Online buying in marketing Strategies García-Crespo et al. study the continuous collaboration among customers and establishments, as it impacts the online shops environment with implications on marketing of new product advancement (García-Crespo, 2010). Y Dou et al. research enhancing the strength of a system by regulating the embedded online buying features with the right market penetration and pricing tactics (Dou, 2013).

Lee et al. (Lee, 2015) study the reputation of online commerce in marketplace to find that Facebook likes improved the surge in sales, drives traffic, and introduces social presence in the shopping experience. Oestreicher-Singer and Zalmanson (Oestreicher-Singer, 2013) reveal that the more practicality of firms when they join online buying in selling and marketing practices.

All these studies on online buying and their service offering reveals the significance of inclusion of online buying as an important strategy for organizations, Also, it helps e-marketers to focus specific customers based on their demographic patterns and comparable interests.

3. RESEARCH METHODOLOGY

The paper searches the various dimensions attached to the concept of online buying as in a descriptive study, these examples mentioned based on the study from some secondary material found in journals and some from the own experiences of the authors and friends.

4. ONLINE BUYING - FINDINGS

With the understanding of available secondary data from prior research, online buying against various tenets like online experience, Payment options, risk-relievers, customer service along with impact of user feedback, promotional activities, and real time conversations following are the some of Advantages and Disadvantages listed.

4.1. Benefits of using Online buying services: Some of advantages listed below

Convenience : Leverage the online shopping, directly from home, avoiding traffic and pollution. All the details of the product can be found online, return of the products with ease when it's not suitable or not up to mark for the quality. It provides 24 hours shopping experience.

Better Prices : Using online there is a chance to pay less using online coupons, merchants offer discounts which help saving money. To economize with online buying do little research before buying.

More Variety: with variety of products from different brands, one can choose things that suit specific requirements and the budget. Favorite search engines will help finding the right product.

Easy to Send Gifts : On specific occasions, one can send gifts when they are not able to physically present and check all available choices at your comfort.

More Control : Tendency of shopping in the mind set of the people and they buy more items visiting physical stores than the required needs. It is perceived to have a greater control while shopping online.

Price Comparisons : Its easy to compare and buy products online for their characteristics and benefits.

No Crowds : There is no rush of crowd, no hassles of crowded stores and looking out for products. the products purchased are directly delivered to your door step.

No Sales Pressure : No sales staff following as in store and pressuring for buying the products.

Access to Used or Damaged Inventory: Used and refurbished products available at lower cost with convenience to return in stipulated period.

Privacy for Discreet Purchases: One can buy virtually anything, like some products are very personal and needs privacy while buying. Its easy to order them online wherever available.

Saves Time: Covering every shop and comparing products and prices is a challenging in a single physical store and is time-consuming process unless you buy it online.

4.2. Challenges in Online buying: It has its own drawbacks too

Hurry up and upset: If you are in a hurry to buy, you will be disappointed with your purchase, one cannot touch or feel the item until delivered.

Negative Environmental Impact of Packaging : Packaging is done in order to avoid damage to the product, however excessive packaging using plastic and hazardous materials only bring harm to the environment.

Shipping Problems and Delays: Logistical issues and unplanned deliveries makes it difficult and leads to customer dissatisfaction.

Risk of Fraud : When the security is not properly implemented by the online stores, chances of hacking the data, filch your card details, and misusing possibilities by fraudulent vendors and hackers.

Spending Too Much Time Online: High chance of staying online being undecided about buying a product and comparing brands.

Returns Can Be Complicated: Certain vendors put a lot of restrictions for the return of the products even though given a genuine reason.

You Don't Know Exactly What You're Getting: Misleading promotion of a product and selling of such products on websites, may lead to fraud.

Unfriendly Websites: Malicious websites and inappropriate advertisements tend to spread scams and malware through their products.

No Sales Assistance: When in doubt there is no guidance like in physical stores.

No Support for Local Retailers: People tend to buy brands which may impact local products which further impacts local merchants.

5. SUGGESTIONS

Looking at the analysis of the online buying, advantages and disadvantages following points are a important to remember for organizations to make ecommerce profitable:

- Organizations have a need to build online stores as an integrated online service platform.
- Websites are required to be secure and data privacy has to be considered as utmost important.
- Develop an online buying strategy for their respective services and build brand image.
- Introduce rewards, offers to make online buying as more interesting and competitive.
- Develop digital marketing, advertisement, offers and content calendars
- Faster deliveries and shipping options at reasonable prices.
- Stroger post-sales support to provide customer services for payments, returns, warranty etc.

Future research may be steered by building on the hypothesis to embrace the above action plan and suggestions to validate results through statistical study.

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