

WEB STORE PURCHASE – CONSUMER AWARENESS AND PERCEPTION

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Abstract:

The online shopping industry in India is rapidly growing with the entry of large players such as AMAZON, FLIPKART, E-BUY, SNAPDEAL, MYNTRA and others along with the existing domestic players. This research evaluates the factors influencing the consumers to buy products, avail services and level of satisfaction derived during online purchase. It examines SWOT analysis in the e-marketing products and services. Additionally, it measures the influence of internet shopping through their experience, problems faced, agreeability and their attitude towards purchase decision.

Keywords : Level of satisfaction, SWOT analysis, factor influencing.

INTRODUCTION

Online shopping or online retailing 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. Alternative names are: e-shop, e-store, Internet shop, web-shop, web-store, online store, and virtual store. An online shop evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping center; the process is called business-to-consumer (B2C) online shopping. In the case where a business buys from another business, the process is called business-to-business (B2B) online shopping.

The largest of these online retailing corporations are e-Bay and Amazon.com, both based in the United States. Retail success is no longer about physical shop fronts evident by the increase of retailers now offering online store interfaces for buyers. With the growth in online shopping comes a wealth of new market footprint coverage opportunities for stores that can appropriately cater to offshore market demand and service requirements.

Shweta Puneet (2006)¹ in her article made an attempt to analyse how business value enhancement is done through technology in the retail sector. It was observed that the business is more competitive because the expectations of the customers are going higher and hence the need to find new methods to drive the business in the innovations way is also increasing. A fully integrated merchandising supply chain network enables the retailer to overcome longstanding operating problems and to provide the customers with the better experience in shopping. Once the customer builds the trust that gets what they want they will come back to the same retail store.

Muthitachawen, Achita, Gillenson, mark, survan and Nattawat (2006)²

in their study expand their knowledge in the area of online consumer behaviour by examining how a business sales channel strategy could influence consumer sales channels preference. The study revealed that, business strategies could play an important role in consumer sales channel preference development and the online users employ different sets of preferential factors when comparing different sets of sales.

Cai, Shun Cai, Xu and Yunjie(2006)³ in their study proposed three components of customer value mode for e-commerce. Drawing upon the literature in marketing and information system, their research model decomposed customer value into process value, outcome value and shopping enjoyment. The result from the study showed that outcome value and process value contributed significantly to customer satisfaction and loyalty. They also found that customer satisfaction affect customer loyalty. Enjoyment however had no significant positive input on customer satisfaction.

Ashwin Merchant (2007)⁴ in his article offered an update of India's diverse population, its technological advances and its overall potential for marketers. The study observed that the lifestyles and living standards are comparable to any advanced city in the world and there has been reformation in India's economy, communication, globalization and its information transmission. In India internet is becoming extremely popular with corporation, institutions, academicians, students and businessmen. India provides immense opportunity for all kinds of marketing. Its large and diverse population along with its value system may create not only a challenge but wealth of untapped marketing potential.

Dejan Petrovic (2007) ⁵ in his study examined the ways to find, compare and evaluate product information required by online consumers. The major findings of the study are, the consumers use search engine on both global and local level, the result pages are scanned for context corresponding to a supplied, search term, pace of search decreases in population to the depth of the research, intrusive advertising campaign can create negative image, amount of information online directly affects online customer value and consumer value.

Tan (2007) ⁶ made an attempt to analyse the relationship between perceived risk and consumer actions. It was found that there was a close correlation between risk avoidance and online shopping choices, and showed that consumers perceived that internet shopping has higher risk than traditional in-shopping and this perceived risk is one of the major concerns for consumers contemplating shopping online. Consumers who perceive more risk from purchasing online will be less likely to shop online than those whose risk perception of the online market place is low.

Leena Basrur(2007) ⁷ in her article analysed that direct marketing in India has been around for over 20 years while some aspects of the industry have never progressed. Internationally mail order catalogues was the popular form of the direct marketing business but in India print catalogue never really took off. Instead, internet shopping is developing very nicely. Similarly, direct response television advertisements are practically non-existent but email marketing is picking up. Banks, financial institutions and telecommunication companies remain the largest users of direct marketing; most of the direct mails are targeted towards existing online customers. Many companies are increasing direct budget as it is found to be the most effective long-term commitment from top management to the programmes.

Gamma Hummeston(2007)⁸ in his article analysed the telemarketing ban. The Australian Communications and Media Authority (ACMA) is considering a proposal to lift a ban on telemarketers from winging consumers on Sundays and public holidays. Australians receive more than one billion telemarketing calls a year and consumer rights group choice said people have the right not to be bothered on a Sunday.

Erden Tulin (2007)⁹ in his research report helped the business owners again by posting some comprehensive status about online consumer behaviour. For this purpose, the study has broken out the industry, into a particular field. The study revealed that 80% of internet users go online to find health-related information, 85% of Google users have made an online purchase in the past six months, approximately 20 million people are browsing new home listing each month and more than 10% of Google users have shown some interest in a financial service product.

Internet and mobile Association of India (IAMAI: 2007)¹⁰ and IMRB international presented the E-commerce report for the year 2006-07. The report is based on an industry report definition of e-commerce and extensive interaction with industry leader, seeks to estimate the total market size of e-commerce in India. Top six reasons given by the shoppers in buying products and services through internet are availability, good discount and lower prices, get detailed information of the products and can compare various models/brands. The report also ranked the top six concerns while buying products and services through online are not sure of product quality, cannot bargain and negotiate, not sure of security of transactions, credit cards misuse, need touch and feel the product, significant discount are not there and have to wait for delivery.

Ranganathan, Jha, and Sanjeev (2007)¹¹ in their study purposed an integrated model of online shopping behaviour with four major factors influencing online purchase intention of the consumer namely website quality, customer concerns on online shopping, self-efficacy and past online shopping experience. It was found that past online shopping experience was found to have the strongest association with online purchase intention, followed by customers' concern, website quality and computer self-efficacy.

Bannan and Karen (2008)¹² in their article observed that the success of the email marketing programme today and in the future depends largely on the ability to provide each email recipients with an experience they want and expect but the real challenge lies in getting to know what email requires. Email marketing is no longer about what distressed inventory has to sell, making quota or pleasing the partner advertisers, while all these will not make an e-mail marketing programme successful. The study identifying the new and existing customers build an email marketing programme that meets their needs and observed that providing a timely relevant experience to the customers will make the email marketing successful.

Chatterjee Sutirtha and Datta Dratim (2008)¹³ in their paper made an attempt to identify the inefficiencies in the electronic market and its consequent effects on consumer buying attitudes. The popularity of e-commerce can be attributed to open competition with minimal entry barrier but the consumer lacks confidence in transacting business through online. Further it was found that buyer uncertainty increases when customers plan to buy a product which requires high information, especially when product transparency is lacking. Findings suggest the inherent e-commerce inefficiencies of anonymity and lack of product and process transparencies cause consumer uncertainty.

Echo Huang (2008)¹⁴ in his paper made a conceptual model based on technology acceptance with the extended variables to examine the impact of the use and gratification on e-consumers acceptance of B2C websites. The analytical result showed that entertainment gratification, institution surfing

experience, perceived usefulness and ease of web use are important predictors of e-consumers use intention. Intention to use the web is the predictor of actual use purchase and information seeking behaviour on e-consumer.

Marci Troutman and Steve Timpson (2008) ¹⁵ said that the number of mobile phone users exceeds PC users in many countries, so the need has arisen to optimize PC-based websites for mobile phone users. According to the Cellular Telecommunications and Internet Association (CTIA) the United States had 25.7 million new mobile phone

users in the year 2007. Majority of the mobile phones sold in the United States are with the advanced features of colour screen and with the web-accessing technology called as Smartphones. More people use their smartphones to gain access to the internet than veered before. In February 2007, the net craft web server survey found that there are 108,810,358 websites but only 700 website worldwide are compatible with smartphones. The study suggested for the size of the phone screen and the media capabilities should allow animation, interactivity and integration of video clips in the web page with the rich internet applications. With mobile, optimized websites, retailers gain robust capabilities for selling products and services through mobile phone. The mobile shopper can access the same online catalogue that is available to traditional users of an online stores.

Olden Burger, Lehto Xinran, Feinberg Richard and Salvendy Gavriel (2008) ¹⁶ in their research utilized the critical incident technique to identify the factors that influenced the customer satisfaction and retention of customers participating in e-commerce transactions. For the purpose of the study 662 customers were interviewed through telephone, about the satisfaction and dissatisfaction incidents that they have come across while using website for e-commerce transactions and how often they purchase products from through the website prior to end after the incident. The study found that the negative incidents are more than the positive incidents for the purchase of products through e-commerce website and that was more among the first-time customers. Customer support and user experience play a critical role in converting the negative incidents to the positive incidents. Further it was found that 86% of the customers were very likely to use e-commerce site again for future purchase.

Vivek Chowdhury and Elena Karahama (2008) ¹⁷ made a study on the consumer channel choices. The data were collected from faculty and staff at the university about their intention to use the web for auto insurance transactions. The result of the study supports three conclusions. First, the dimension along which the consumers access relative advantages with trust and convince at each stage of the purchase process. Second, the consumers consider the relative advantage of channels at two distinct stages of the purchase process of gathering information and executing the transaction. Third, different dimensions of relative advantage are critical in predicting consumer channel choice at each stage.

Dinesh, Amit, and Raghav Rao (2008) ¹⁸ in their study compared online store rating with other e-store loyalty factors. It was found that the number of years on the web has the least impact on repurchase intention. This has significant implications for managers of online stores because it suggests

that stores would attract more customers by having positive customer reviews. The amount of time the store has been in business does not seem to affect the repurchase intention of consumers. “Word of mouth” remains the most powerful customer acquisition tool and impact on the trust that the customers have.

Jae Wook Kim, Jiho choi, Qualls William and Kyesook Han(2008)¹⁹ made an attempt to study the role of raising brand commitment among online consumers. The theories suggested that, the effectiveness of the online marketing can be improved by building brand awareness and image, providing access to the voice of loyal customers, increasing supplier commitment and generating revenue from new and existing

customers. A study was undertaken for the purpose of examining how online consumers are influenced by brand commitment and the subsequent customer behaviour. For this purpose the primary data was collected from 500 existing online consumers. The study revealed that online consumer commitment is a key factor to influence the brand commitment, online community participants' posse's stronger based commitment, and brand commitment can be enhanced for both active brand users.

Purva Bhathia and Surbhi Goal(2008)²⁰ studied the internet users in Indian as on 2008. It was found that 49 million users have logged on to internet in the year 2007-2008 and 70 per cent of the internet users reside outside metros. Internet penetration in urban India is at 12% in the year 2007-2008 compared to 9 per cent in the year 2006-2007. Further, it was found that urban netizen has increased from 30 million to 40 million in the year 2007-08 and 70 per cent of users are between 19-35 years of age.

CONCLUSION

The technology has led into the new dimensions in the marketing of products and services. The change of internet usage pattern, attitude, perception, and the factor of diminishing interest on touch and buy reflects of respondents enhanced preference towards online shopping. But, they have the fear over the internet fraud, deficiency in service and risk involved in it. Online commerce has many advantages when compared to regular shopping. The use of information technology and the emergence of more educated and demanding customers, the interaction between consumers and companies are fruitful in the value creating process. However the success of e-marketing lies in educating the consumers with the benefits such as time-saving, user-friendly and so on and the efforts that are made in eliminating the fear in the minds of the consumers regarding cyber crime, e-security risk and so forth. Besides the above, it is also important to study the problems relating to consumers acceptance towards technology updating and the consequences of implementation failures even though there are other problems which e-marketing will undergo; it cannot be denied that e-marketing will grow further under the existing circumstances where there is every possibility for the consumers to be forced to adopt the new trend in marketing than sticking on to traditional marketing. The online shopping companies should concentrate on these issues and have to formulate the effective strategies to quell the negative impact of these factors to satisfy their consumers. The renewed interest among the respondents coupled with the change of strategies by online shopping companies in the aforementioned areas would ensure the radical development of online industry in India.

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