



ONLINE SHOPPING PROBLEMS AND SOLUTIONS FACED BY THE CUSTOMERS IN INDIA

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Abstract

Internet has developed in new delivery channels electronic transactions are increasing rapidly. This need has arisen to understand how they perceive directly to buy consumers. Most of the people who use the internet to purchase goods online, but that there are still some reasons for which consumers are reluctant to buy online. Purchasing goods from the comfort of your own living room certainly is more convenient than actually driving to a store, while offering a virtually unlimited array of choices and the ability to compare prices. While online payment and security technology have come a long way, you still may experience problems with online shopping from time to time. This article covers some of the more common issues, such as getting the wrong item or falling prey to online scams, and ways to minimize these potential pitfalls.

Many of the problems seem to arise because the retail and online divisions of major stores are run by entirely different groups, or at least they were until recently and these groups sometimes seem more like competitors rather than players working on the same team. The consumer sees the same store brand name, and understandably assumes the entities are identical, but they're not and the results are heaps of confusion and frustration. Paper presents and attempts to study the concept of online shopping, various factors impacting decisions of consumer while shopping online like online shopping features, demographic factors, personality traits, situational factors, type of product or service under consideration and convenience, by giving the advantages and disadvantages of online shopping.

Keywords:- Online Shopping, Consumers, Convenience, Perception.

Introduction

Definition of online shopping Online shopping is defined as the process a customer takes to purchase a service or product over the internet. In other words, a consumer may at his or her leisure buy from the comfort of their own home products from an online store. This concept was first demonstrated before the World Wide Web (WWW) was in use with real time transaction processed from a domestic television. The technology used was called Videotext and was first demonstrated in 1979 by M. Aldrick who designed and installed systems in the United Kingdom. By 1990 T. Berners-Lee created the first WWW server and browser and by 1995 Amazon expanded its online shopping experiences (Parker-Hall, 2009).

Online Shopping is a current phenomenon which has developed a great importance in the modern business environment. The evolution of online shopping has opened the door of opportunity to exploit and provide a competitive advantage over firms. This paper analyzed the different issue of online shopping. With the growth of online shopping, companies are leveraging the new horizons by capitalising new market footprint coverage opportunities for stores and catering to offshore market demands and service requirements. Some of the successful examples of these online retailing corporations are Alibaba, Flipkart, Snapdeal, Amazon.com. Present study is a descriptive study based on the detailed review of earlier relevant studies related to the various concepts of online shopping to explore the concept of online shopping. Findings reveals that online shopping brings optimum convenience to the consumers. Privacy and security risk emerges frequently as a reason for being wary about internet shopping. Shopping convenience, immediate possession, information seeking, social interaction, and variety affects the consumer attitude towards online shopping. The impossibility of product testing, problems with complaints, product return and misuse of personal data are the main uncertainties regarding on-line shopping. The online electronic payment is the electronic commerce essential link, also is the foundation condition which electronic commerce can smoothly develop. Not the corresponding real-time electron payment means coordinate, electronic commerce only can be does not have the practical significance "the hypothesized commerce", but is unable to realize on the genuine net the transaction. The on-line electronic payment is the electronic commerce development core, is completes on the net the transaction essential step, also is at present restricts the domestic network application development a bottleneck.

Objectives of the Study

- To have an overview of online shopping.
- To study the various factors influencing the perceptions of customers regarding online shopping.
- To provide the advantages and disadvantages of shopping online.



Research Methodology

The current study attempts to explain the concept of online shopping and examine the interplay of various factors in influencing consumers' perception regarding e-shopping. The nature of research is completely descriptive. It is a conceptual research which is based on review of previously done researches in this area. All the relevant data used in research paper has been collected from secondary sources e.g. e- journals, newspaper, Govt. publications and various e- resource

Literature Review

1. Attitude

Several researchers have carried out studies in their effort to examine the factors influencing consumers' attitude and perception to make e-commerce purchases through online shopping. Attitudes toward online shopping are defined as a consumer's positive or negative feelings related to accomplishing the purchasing behavior on the internet (Chiu et al., 2005; Schlosser, 2003). Buying trends and internet adoption indications have been seen as the overall electronic commerce value in Malaysia rising from US\$18 million in 1998 to US\$87.3 million in 1999 (Mohd Suki et al., 2006). In order to investigate consumers' attitudes, we need to know what characteristics of consumers typically online shopping is and what their attitude in online shopping is. In simple terms, this means that there is no point having an excellent product online if the types of consumers who would buy it are unlikely to be online.

2. Demographic Factors

On top of that, Bellman (1999) investigated various predictors for whether an individual will purchase online. These authors concluded that demographic variables such as income, education and age have a modest impact on the decision of whether to buy online whereas the most important determinant of online shopping was previous behavior such as earlier online purchases. This is consistent with Forrester Research which proved that demographic factors do not have such a high influence on technology as the consumers' attitudes do (Modahl, 2000).

3. Pattern of Online Buying

According to the study which was done by Master Card Worldwide Insights (2008), the product and services most frequently bought online among Asia/Pacific online shopper are books and art (41%), home appliances and electronic products (39%), CDs/DVDs/UCDs (38%) and ladies clothing/accessories (38%). Opportunistic buying as a whole does not seem to be a major factor for many online shoppers: 41% bought on impulse just a couple of times, while 34% hardly ever bought on impulse. Similar to the types of products frequently purchased online, items most likely to result in opportunistic buying were ladies clothing and accessories, home appliances and electronic products and CDs/DVDs/VCDs. In addition, consumers' previous experiences with online purchases or lack thereof can be a significant influence of levels of risk perception by consumers and their purchasing decisions (Dillon, 2004). Negative experiences increase levels of risk perception with online purchasing and hamper not only a business likelihood of retaining customers but can make it more difficult for other online businesses to gain initial customers (Boyer, 2005). According to Leggatt (2010), a quarter of U.S. adults have increased the amount of time they spend online shopping (24%) and reading product reviews (25%), found Harris Interactive's online survey. Younger adults, aged 18-34, have increased their time spent doing both of these activities more than older adults, leading to speculation that this trend will continue. Americans are spending more time researching purchases and shopping online, according to Harris Poll findings, and many are feeling the social consequences of life in front of a monitor.

4. Purchase Perception

It has been reported that consumers have a low perception and trust of online merchants, making them unwilling to make purchases online. The results of a survey of 9700 online consumers showed that three out of five respondents did not trust web merchants (Belanger, Hiller, & Smith, 2002). Apart from that, customer service affects purchase decisions through vendor knowledge, responsiveness and reliability (Baker, Levy, and Grewal, 1992; Gefen, 2002). Internet purchases of tangible goods present unique challenges when compared with traditional „brick and mortar“ retail store purchases. Consumers do not have the opportunity to physically inspect goods purchased over the internet prior to purchasing them (Jarvenpaa and Todd, 1996-97). Instead, internet purchasers must rely on mediated representations of the goods being purchased, are normally dependent on third parties for delivery of purchased goods and may question the convenience of product returns. Customer service variables of vendor knowledge, responsiveness (delivery time and return convenience) and reliability are examined in this study. Lastly, the concept of risk is important for understanding how internet consumers make choices (Hasan and Rahim 2004). Shopping environments on the internet may be uncertain for the majority of online shoppers especially if they are novices. The risk may then be defined as the subjectively-determined expectation of loss by an online purchaser in contemplating a particular online purchase. Amongst the identified perceived risk are financial, product performance, social, psychological and time/ convenience loss. Financial risk stems from paying more for a product than being necessary or not getting enough value for the money spent (Roehl and Fesenmaier 1992).



I. Growth and Trends in Online Shopping

Nielsen Global Consumer Report, (2010) found that books and clothing was at top of the list for planned online purchases in next six months which is followed by online airline tickets, hostel/tour reservation, other engaging products and services tagged for future online purchases include electronic equipment, cosmetics/nutrition supplies, computer hardware, videos/DVDs/games and groceries. Globally one third of consumers prefer to do online shopping at retailers that have only an online presence (like amazon.com). 20% of customers prefer those sites that also have traditional “brick and mortar” stores, 16% of customers globally indicate that they have never shopped online. Almost half (47%) of online consumers indicate they have never made an online purchase. Shoppers consider online reviews and peer recommendations while researching future purchases of consumer electronics, cars and travel, and 40 percent of online shoppers would not even buy electronics without consulting online reviews first. 79% of online European consumers plan to purchase products or services via the Internet. Online reviews and opinions were most important when buying and researching cars, software and consumer electronics. Nielsen Report, (2014) found that almost half of global respondents in an online survey intend to purchase clothing or make airline or hotel reservations using an online device in the next six months. Other categories growing in prominence for online shopping include e-books, event tickets, sporting goods and toys (to name a few). Spending intentions for each have risen at a double-digit or near double-digit percentage-point rates since 2011. The online market for buying groceries and other consumable products is comparatively smaller but is starting to show promise. While durables are the starting point of adoption, consumables are attractive due to the frequency of purchase. Aside from online purchasing, digital is an increasingly important research and engagement platform. Consumable categories are not likely to reach the same level of online prominence as non-consumable categories due to the hands-on buying nature and perishability of the products, but the market is wide open and an eager audience is at the ready. MasterCard Worldwide Insights, (2008) studied that internet penetration, income levels and cultural factors are key drivers of online shopping. In China and India huge growth in online shopping is expected as income and internet penetration rises. Credit cards are preferred payment mode in online shopping.

II. Present Status of Online Shopping

INDIA is a big market that is growing day by day. In this fast and pace competition, the Indian online shoppers have specific expectations for online shopping websites in INDIA. First of all, in India online shoppers have started expecting the option to return items purchased online, and some retailers already have made doing this convenient. Further, the retailers believe that this option is quite necessary to develop consumer trust and confidence in online shopping. Secondly, free door-to-door shipping is very much needed, say online shoppers. Already many online shopping websites are providing these services. But, even today there are certain limitations regarding this. Today, in India online shoppers have been trained to expect Michal Pilik, (2012) examined that online buying behavior is affected by various factors like, economic factors, demographic factors, technical factors, social factors, cultural factors, psychological factors, marketing factors and legislative factors. Customers choose an online-shop mainly based on references, clarity and menu navigation, terms of delivery, graphic design and additional services. Complicated customers read discussions on the Internet before they spend their money on-line and when customers are unable to find the product quickly and easily they leave online-shop. Dibb et al., (2001), Jobber, (2001), Kotler, (2003) described Consumer buying process as learning, information-processing and decision-making activity divided in several consequent steps: Problem identification, Information search, Alternatives evaluation, Purchasing decision, Post-purchase behavior. Efthymios Constantinides, (2004) identified the main constituents of the online experience as follows: the functionality of the Web site that includes the elements dealing with the site's usability and interactivity, the psychological elements intended for lowering the customer's uncertainty by communicating trust and credibility of the online vendor and Web site and the content elements including the aesthetic aspects of the online presentation and the marketing mix. Usability and trust are the issues more frequently found to influence the online consumer's behavior. Karayanni, (2003) examined that discriminating of potential determinants between web-shoppers and non shoppers. The most major discriminant variable between web shoppers and non shoppers was found to be web-shopping motives concerning time efficiency, availability of shopping on 24 hours basis and queues avoidance. (2002) studied that significant factors affecting the intention towards shopping on the internet are convenient and dependable shopping, reliability of retailer, additional information and product perception. Online Shopping Customer Experience Study, (2012) stated that satisfaction of online consumers can be improved by improving their satisfaction related to shipping and returns. Free shipping is a great motivator, drawing shoppers back to sites to make repeat purchases and causing shoppers to recommend an online retailer, consumers are willing to pay a nominal fee for getting their product faster. While comparison shopping, consumers take product price and shipping charges almost equally into consideration. There are several other things that retailers can do to improve the experience for their online shoppers. The first is to communicate the expected delivery date of the order, customers are willing to wait for their orders but want to know just how long that might be. Timely arrival of shipments encourages shoppers to recommend an online retailer. Consumers also like having tracking updates and delivery notifications to understand when their package is arriving. Online shoppers want flexibility in their shipping, particularly the ability to give special delivery instructions or schedule a delivery time or select an alternate delivery location. Schaupp and Bélanger, (2005) added that privacy (technology factor), merchandising (product factor), and convenience (shopping factor) are three most important attributes to



consumers for online satisfaction. These are followed by trust, delivery, usability, product customization, product quality, and security.

III. Comparison Shopping when Online Shopping

Another great benefit of online shopping is the ability to comparison shop easily. Instead of running around to several different traditional stores and trying to remember or write down details such as prices and features, the shopper can simply open two or more browsers to easily compare more than one item. Additionally, there are several websites and online retailers which make comparison shopping even easier. These websites may even provide charts which compare features for similar products to enable the online shopper to make an accurate comparison of two or more items before making a purchase. Another advantage to comparison shopping online is it gives the consumer the ability to compare items which may not be available in his location. This is important because some items may only be available in certain parts of the country. This can make comparing items difficult for traditional shoppers. However, online shoppers are easily able to make these comparisons and learn more about similar products which helps them to make the best possible decision.

Advantages and Disadvantages of Online Shopping

Advantages of Online Shopping

Online shopping is becoming increasingly popular for a variety of reasons. There are certainly outside factors such as increasing gas prices, difficulty getting to traditional stores and the hassles often associated with shopping in malls and other traditional stores may contribute to the increased interest in online shopping. However, there are also many benefits which make online shopping an excellent option for many busy shoppers. Some of these benefits include convenience, comparison shopping capabilities and express shipping options and this article will discuss each of these benefits in further detail;

1. Saves Time and Money

We can be sitting at your home and still be able to shop. It is a great time saver. Also with the options like cash on delivery you need not even waste time making online payments and sign-ins and so on. Also the advantage of online shopping is that it saves money. Firstly Travel costs are saved since you in your comfort zone. Secondly there are often great discounts and offers available while you shop online and that saves you some money.

2. Comparative Shopping and Reviews

We can compare while shopping. There are multiple website selling the same stuff at different prices and you can easily choose the one that suits your budget and offers the best prices and discounts. Also when people shop online they are pretty vocal about it in the reviews sections.

3. Convenience of 24x7 open stores

It is 24x7 open. So if you just have a sleepless night over a dress you need to wear at a party next week, just log on, and buy it online. You need not lose sleep over it and you can do it whenever you like.

4. Variety

Most physical stores have a limited array of products. They can only hold so many items, and there are often many policies affecting the availability of products. Shopping online allows you to find many products that you wouldn't be able to find in a physical store. You can also buy products that may not logically go together like candy canes and quilts.

5. Fewer Traps

Physical stores are made to lure you into buying more things. They use posters, sales messages, colors and product placement to make you buy additional items. The most popular products are typically in the back because the owner wants you to view all of his or her other products. Many people will find a few additional items by the time they reach the thing they came in for. These tactics are not as pronounced with online stores.

6. Discreet Shopping

Physical stores often make it difficult to buy certain items. For example, buying lingerie without getting a few awkward stares is nearly impossible. Shopping online gives you privacy because you won't have people looking at you while you shop. Not only that, but the receipts are usually made so that no one will know what you bought.

7. Ease of Comparison Shopping

When you shop online, you can compare offerings and pricing at different stores with the simple click of a button rather than having to get in your car and spend your precious time and hard-earned gas money running from one store to another to see what stores carry what product lines and how much each one is charging. With the help of shopping comparison sites like Mysmartprice.com, you can compare the quality and price of the products and services on the online sites.

8. Extensive Product Mix Availability

When you shop online, you might find that there are more options available to you than if you focused your product search only on items available in your local areas. That's because store buyers have to make decisions about what



items to carry in their physical stores, and those decisions are impacted by local market demand, past purchasing success and failures and shelf-space constraint.

9. **Identify Unique Solutions**

When you start shopping for a product to address a specific need, it's possible that there's a solution you don't even know about, or that isn't available locally. It's also possible that there is an ideal solution for your shopping need that has just been introduced to the market. It often takes innovations a while to make it to the shelves of traditional retail stores - especially in small to medium-size markets, but they tend to become available online very quickly.

Disadvantages of Online Shopping

The craze of online shopping has picked up quite significantly in the last decade and online sellers are expected to improve their share of purchases for years to come. There is no doubt that you can find great deals online and so many different brands which may not be even available in regular stores, even shopping malls. If you have never shopped online or even if you are a regular online shopper, you should understand that despite of all the hype, there are certain disadvantages of online shopping.

1. **You do not Physically Seen the Items**

Normally when we shop from a regular store, we can see the item and atleast visually inspect that it looks fine. You can select a color, size and can even speak to a sales person to clarify doubts regarding an item. I feel the biggest disadvantage of online shopping is we do not physically see the item till it arrives. May be you have seen it in the nearby mall but there is a possibility that the particular piece you have ordered may be defective. Misinterpretation or misunderstanding of items bought online is a common problem. Usually the photo of items you see online are much better than once you have the item in front of you.

2. **Wait for the Items to Arrive**

Once you place your order the waiting game starts. You have to wait for a few days for the item to arrive which can be quite frustrating. Most experts believe that we are most excited about your "buy" in the first few days, so by the time your item arrives you will most likely be less excited than getting the item on same day you made the payment.

3. **Chances of Mishandling While Shipping / Delivery Risks**

What if the item you are expecting never arrives, you will be lost in a series of phone calls to the seller and the courier company. What if you are not at home during the time of delivery and the courier company leaves the package on your door and a passerby decides to steal it? What if the shipping company broke your stuff and you realize it after opening it when the courier man has already gone away. The seller might claim that you broke it.

4. **Shipping Charges**

Only a few sites offer free shipping, some others will ship for free only if your total purchase price exceeds a certain amount. Shipping fee is often a big discouragement for online shoppers.

5. **Returning Merchandise**

Even if the seller agrees to take back the defective merchandise, you often have to pay the cost of shipping it back. Additionally you have to call and convince the people regarding the reason of your return. Some good sites do have excellent return policy, but not everyone.

6. **Online Security**

Making payments online is usually safe but not always. There may be sites which are not secure or do not encrypt your personal credit card data, so if a hacker breaks in their system, your personal data can be compromised.

7. **Risk of Online Fraud**

Some people pretend selling items at a very cheap price and often send you a low quality, opened or refurbished item, in other cases the site may shut down unexpectedly, leaving lot of customers who might have already paid for the item but did not receive anything. Shopping online can also take you to phishing sites which want to defraud you.

8. **Timezone Difference**

In countries like USA there are various time zones and the customer service hours of the online shopping site may be different from your time zone, making it difficult for you to get in touch with a human when you need help.

9. **Sales Tax**

Although an online shopping site may not charge you a sales tax during the purchase, you are legally obliged to pay taxes when you file annual taxes (assuming you live in a taxable state). Most people are able to get by, but in case of a scrutiny not paying sales tax on online purchases may become an issue.

10. **A Dull Shopping Experience**

I personally enjoy going to a mall or just the nearby bazaar and enjoy the ambiance and feel more social among other people. Online shopping can be boring for many and make you feel like a loner.



11. Restocking Fee

Most online stores have a restocking fee, specially on electronic items. Items that you buy in a store, can be opened within the store in front of an associate after purchase, and if there is an obvious defect you can return/exchange it without paying a restocking fee which is usually between 10 to 20 percent.

12. Spyware on your Computer

Having a virus or a spyware is not the sellers fault but there is a risk of your personal data / credit card information, to be stolen right from your own computer.

13. Knowledge of Operating a Computer

Older people in particular are not comfortable operating computer and they will never purchase online because of the same reason.

14. Deal Hunting can be Frustrating

It is common that the price of items are different on different sites. Some people find excitement in finding good deals online while others hate to check various sites to find the best price. Also online shopping can often become addictive.

15. Online Connectivity Issues

You add items in your online shopping cart, enter your credit card information and press "submit". What if the confirmation screen times out due to connectivity issues.

Conclusion

In India with the vast increasing of young population the demand for online shopping is largely increasing. So, no single online website company can cater the service required. Hence the joint venture is required, all these players have to work together to make things happen. These online shopping websites have to best make use of the available internet resources and mobile technology. Today, in India reviewing the circumstances multi brand retailers have to be ready to launch more number of services. There is a need for online shopping services in multi languages than online in English language in India, since India is linguistically diverse country.

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