

A research paper on a comparative study of organico with other e-commerce websites from customer's perspective

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Abstract:

The development of Internet as a widespread communication medium among consumers has created new business opportunities, by both reducing transaction costs and widening potential markets. The improvement of market transparency, which results from consumers' being exposed to a larger offer and being able to make comparisons between them, may affect the trading choices of firms facing market globalisation. The aim of the analysis conducted in this study is to investigate the present state of the e-commerce implementation among firms operating in a restricted sector (organic fruits and other related products) of the organic food industry. The analysis is carried out by sending a short questionnaire to all the firms listed in a published directory. Other information have been directly collected on the Web from the existing Web sites of the firms selected for the study. The survey will be the basis for further analysis aimed at studying the potential of the e-commerce tool in order to develop the sector and the related firms. The focus will be put on implementation strategies, on trade and logistic facilities, and on marketing tools to be adopted in Web sites design and e-commerce projects implementation.

Long considered to be a more expensive option, the organic sector has since taken off with its attractive prices and its variety of choices. In the UK, many online shops are now playing the organic card.

Last year, the Soil Association's 2016 Organic Market Report found that sales of organic products rose by 4.9% in 2015, reaching £1.95 billion in the UK. Shoppers spent an extra £1.73 million a week on organic products. The most popular products sold were jam, tea, and oils,

but fruit and vegetable sales also increased, as did sales of organic cotton clothes and beauty products.

According to the Financial Times, the organic market in the US grew by 11.4% in 2015, in France 10% and in Italy 6%. China has overtaken the UK as the world's fourth-biggest organic market with retail sales.

Organic products and e-commerce go hand in hand. Shopping online has a lot of benefits and is more environmentally friendly as CO2 emissions are lower. In the UK, sales of organic products online rose by 9.1%. Getting into the organic e-commerce market can therefore be a lucrative opportunity.

In the food sector, sales frequency is higher than average and Internet users often do their shopping in their free time. You therefore need to offer them the best shopping experience possible. To do this, make sure you include all the vital information about your products – such as consumer opinions, directions for use, ingredients, labels, and the nature of the packaging (are they recyclable? Are they made with recycled materials?). Also, you can put filters in place to facilitate your customer's search. You could offer several categories, such as vegan, fair-trade, locally made, gluten-free, sodium-free, British produce, etc.

1.Introduction:

Organic food in India is a niche category and the wave which is still to sweep across the nation. Demand is expected to rise in the coming years due to increasing number of incidences of food adulteration, rising consumer consciousness coupled with increasing income. Growth in e-commerce sector is acting as facilitator for the companies as an appealing route to the potential consumers as channels margins in ecommerce are lower.

There are dedicated as well as generalist e-commerce websites selling organic food. Companies are also opening up small kiosk at malls across major metropolitan cities.

Consumers in India are preferring to turn completely organic in their food habits. Non availability of organic fruits and vegetable is still a concern and there is need for stronger supply chain. Organic beverages like tea have the highest value share followed by pulses and dairy products.

As far as competitive landscape is concerned, there are a handful of players operating in the domestic organic space giving a plenty space for new players to create category leadership. To succeed in this market companies requires a right seed to have a bumper organic harvest. This requires a complete and organized supply chain.

There are many debates over which type of foods are considered organic. Consumers become frustrated when food suppliers exploit the term “organic” for marketing purposes. To protect the organic farmer and the consumer from unethical marketing practices, the USDA has established requirements that must be met in order for a food to bear its “Organic Seal.” Define these requirements and explain what practices farmers use to ensure they are met. For instance, farmers must “support animal health and welfare.” The Organic Trade Association explains practices that support this objective, such as animals being fed organic feed and cows grazing on “rich, nutritious grass” for at least one-third their lives.

Organic fresh fruits and e-commerce go hand in hand. Shopping online has a lot of benefits and is more environmentally friendly as CO₂ emissions are lower. The sales of organic fruits online rose by 9.1%. Getting into the organic e-commerce market can therefore be a lucrative opportunity. In the organic fruits sector, sales frequency is higher than average and Internet users often do their shopping in their free time. You therefore need to offer them the best shopping experience possible. To do this, make sure you include all the vital information about your products – such as consumer opinions, directions for use, ingredients, labels, and the nature of the packaging (are they recyclable? Are they made with recycled materials?). Also, you can put filters in place to facilitate your customer’s search. You could offer several categories of organic fruits such as apples, strawberries, cherry tomatoes, cucumbers etc.

2.Literature Review:

Globally, organic food annual market growth has been expanded day by day and in 2010 the annual growth was 23%. Total market of organic food observed up to 59.1

billion US dollar. Highest land acquired by organic apples is in the United States (17272 acres) in 2001. Among all European countries, Italy, Germany, France, Switzerland and Austria are the leading countries in the sector of organic fruits production. According to the report on National Program on Organic production 2012, the market size of organic products is increasing rapidly to 47% in EU, 28% in USA, 28% in Canada remarkably. The market is also growing at a healthy rate for Italy and Singapore. Though a large percentage of this demand is fulfilled by the domestic producers of these countries, but there is a huge demand of many other commodities and quantities of the existing commodities too. This gap in demand and supply will give rise to opportunities for developing countries like India to explore. Organic food products are popular across Europe and United States of America. Asia is not far behind with India being a prominent player. The concept of organic food products is not new to Indian farmers. However, there is not much of a consumption taking place domestically despite the fact that India is one of the top 10 players in the world when it comes to the number of farmers engaged in organic cultivation.

The demand and consumption of organic food has grown remarkably, both in developed and developing countries. This is so because; consumer is becoming more and more conscious about their health. Although organic food comprises only a small fraction of the food market, its rapid growth has generated much interest among consumers and businesses, as well as researchers. In Malaysia, the perception and understanding of organic food production is based mainly on not using synthetic fertilizers and pesticides. The organic food industry is facing several challenges in Malaysia. Although the demand for organic food in Malaysia is growing, the supply of local organic products is not able to keep up with the increased demand.

The organic food industry in India is also in the early stages of growth. Higher disposable income and greater health awareness have resulted in an increased domestic demand for organic food. There is huge premium in selling organic products, not only to export markets but also to affluent, health conscious domestic consumers. The organic food industry has experienced surprising growth in the past few years. Still, the total percentage of agricultural land in the world that is certified organic still remains around 1% at 43.16 million hectares. This is almost four times the area covered under organic agriculture in 1999 recorded at 11 million hectares. Despite the fact that the growth of consumption in developed countries is expanding the domestic demand in developing countries has been still a challenge for the

organic food sector. Many factors are proposed which prevented the domestic growth of organic foods in developing countries. Some of them were premium price, availability, trust in brand, awareness about organic foods, etc.

3.METHOD OF DATA ANALYSIS:

For the analysis purpose SPSS demo version was used. Factor analysis was performed to determine the correlation between the variables and highly correlated variables are combined and represented by a factor. This is to ensure data reduction, instead of several variables they are represented by few major factors. Regression analysis, to identify the impact of the factors identified in factor analysis (independent variables) on customer satisfaction (dependent variable).

3.1 DEMOGRAPHICS:

Variables	Measuring group	Frequency	Percentage
Age	<25	35	50.0
	25-35	25	35.7
	>35	10	14.3
	Total	70	100
Gender	Male	28	40
	Female	42	60
	Total	70	100

Table 1- demographics of the respondents

Interpretation: The above chart provides the empirical findings gleaned from the collected data. It provides demographic information of the respondents and the statistical analysis of the information collected from them. This is followed by the interpretation and discussion about our findings. The above table shows that out of 70 respondents 50 % of people are in the age group of < 25 years, 35.7% of people are in the age group of 25-35 and 14.3% of people are in the group of >35. We are having highest respondents who buy organic fruit are less than 25 years and almost all those belongs to student category. At the same time 35.7% of age group 25- 35 are utilizing online shopping well. All those people are attracted to organic fruits sites which are offering wide range of fruits to everywhere and also with their services. Another demographic factor we considered is gender. Female respondents are higher than the male respondents that who prefer online organic fruit buying. We can interpret

that based upon their preferences that they are getting different and unavailable international products online, which made easy and time efficient.

3.2 HOW OFTEN RESPONDENT SHOP ONLINE:

Valid	Frequency	Percent	Valid percent	Cumulative percent
Once in month	21	30.0	30.0	30.0
Once in two months	11	15.7	15.7	45.7
More frequently	17	24.3	24.3	70.0
Very rare	21	30.0	30.0	100.0
Total	70	100.0	100.0	

Table 2- how often respondent shop online

Interpretation: From above table we can interpret that how often respondents are doing shopping online. It is becoming habit of choosing organic fruit online shopping instead of regular fruit. Here 30% of respondents are so regular that they do buy online at least once in month.

3.3 RESPONDENT PAYMENT METHOD:

Valid	Frequency	Percent	Valid percent	Cumulative percent
Debit card	19	27.1	27.1	27.1
Credit card	7	10.0	10.0	37.1
Cash on delivery	44	62.9	62.9	100.0
Total	70	100.0	100.0	

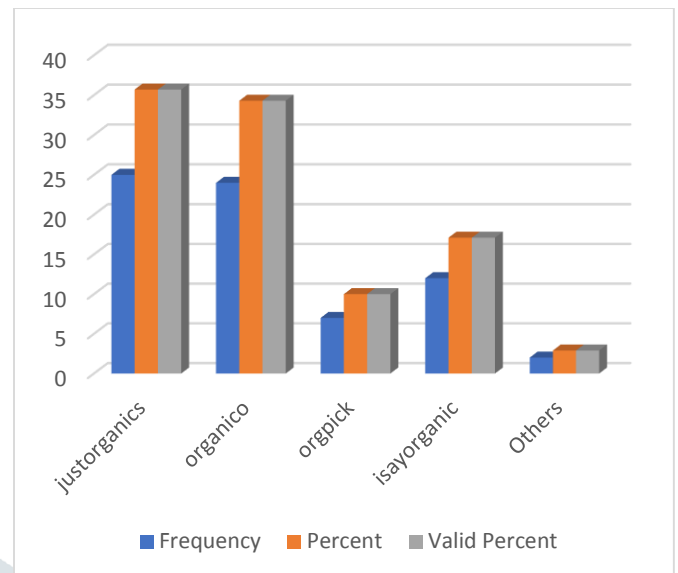
Interpretation: E-commerce players have to gain confidence in terms of providing security to customer's sensitive data. When respondent is questioned with payment method they will use while doing online shopping, most of the respondents choose cash on delivery method which is of 62.9%. We can analyse that cash on delivery is simple and perfect way to customer to proceed. Even delivery boys are carrying swipe machines and made more convenient.

3.4 RESPONDENT CHOOSING METHOD OF E-COMMERCE SITE:

Valid	Frequency	Percent	Valid percent	Cumulative percent
Referred by friends	28	40.0	40.0	40.0
Advertisements	14	20.0	20.0	60.0
Online reviews	28	40.0	40.0	100.0
Total	70	100.0	100.0	

Table 4- respondent's selection process

Interpretation: Which is the perfect way to reach the customers? Or by what basis client is choosing online site for shopping. According to above table respondents are choosing as per online reviews and also equal percentage of respondents are choosing e-commerce sites based upon their friend's suggestions.



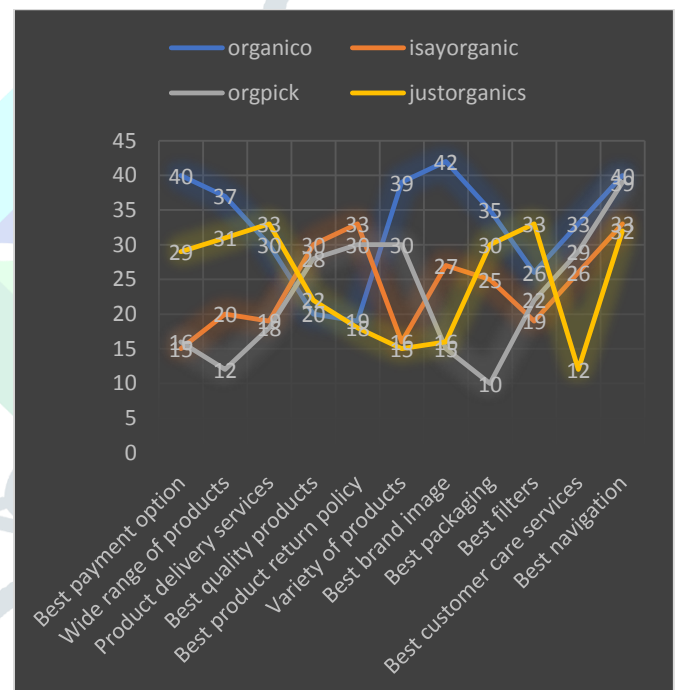
3.6 ATTRIBUTE VS PREFERENCE:

3.5 RESPONDENT IS MORE SATISFIED WITH WHICH SITE PRICING:

	Frequency	Percent	Valid percent	Cumulative percent
justorganics	25	35.7	35.7	70
Organico	24	34.3	34.3	34.3
orgpick	7	10	10	80
isayorganic	12	17.1	17.1	97.1
Others	2	2.9	2.9	100
Total	70	100	100	

Table 5- respondent's satisfied with pricing

Interpretation: Price, the most important aspect while purchasing. When an e-commerce site can offer what we needed with reasonable price, then everyone will go after that site only. From above table people are mostly impressed with justorganics and isayorganic with slight change but our site Organico is also in chase for the top position. Even though Paytm is offering all the products at very low rates, people are interested in top ones.



4.FINDINGS:

- Female respondents are showing more interest to do online organic fruit shopping than male respondents.
- Customers are preferring quality product from e-commerce sites.
- Orgpick is trying very hard to reach the top position but Organico is giving very tough competition.

- Every age group people are interested in offers, if they are in need or not they want to purchase.
- Organico is better than the mentioned e-commerce sites in terms of payment options, range of products, variety of brands, product quality, brand image, packaging and customer care services.
- Organico ranks second or third in terms of product delivery services, return policy, filters and navigation through products.
- The attribute vs preference chart clearly shows how Organico tops most of the attributes according to customer's preference.

5.CONCLUSION:

The research paper provides a valuable insight that can be further explored by other researchers and practitioners that would like to improve user engagement and consumer purchasing the intention of using the internet and creating new business opportunities. Outside the organic food market, new markets are emerging that both compete and co-operate with the organic sector. This would enable daily access to products and access for consumers who are not prepared to change their shopping habits to access direct markets. The inclusion of local foods in the independent sectors provide the opportunity for added the value that could be vital in retaining market share and maintain competitively edge over supermarkets. It is important to understand that website quality is not the only determining factors that could increase consumer purchasing intention. Other qualities such as good customer service, efficient product distribution and logistics and also positive reviews from customers also play an important role.

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