

Factors That Drive Online Shopping And The Problems The Online Players Face

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Abstract

Online players have come to stay in the country. The initial skirmish between the online players and the offline players on the one hand and between the online players and the government on the other, has subsided substantially. The dust has settled, and the two categories of players have been focusing on improving their bottom lines, expanding their operations, etc. They also give the impression that a level playing field has come into being. Many factors have been driving online shopping in the country. At the same time, many problems have begun to confront the online players. To ascertain the status, the researcher interacted with two important stakeholders associated with the online industry, namely, the online players themselves and the experts. The interaction between the two stakeholder categories and an analysis of the primary data collected from them led the researcher to believe that competitive prices, execution of the order at the customer's doorstep are notable among the factors that drive online shopping in the country. The interactions also led the researcher to conclude that the Indian customers are still reluctant to settle bills online. Further, they have a mental block when it comes to acquiring credit cards. Even more importantly, digital platforms that permit the customers to interact with it in the English language alone irks the customers. They would be happier interacting in the vernacular, for obvious reasons.

Key words: bottom line; level playing field; mental block; skirmish; stakeholders; vernacular

1.1 Theoretical background

The Indian online seems to have come of age. There are those who retail online and there are wholesalers, who sell online. For example, the Cash-and-Carry player Metro also sells online to some categories of its retailer-customers, resellers and institutional buyers being notable among them. Driven by rising smartphone penetration, the launch of 4G networks and rising consumer wealth, the Indian online retail sales in India are set to grow by 31 per cent to touch USD 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall. Electronics is currently the largest contributor to online retail sales in India with a share of 48 per cent, followed closely by apparel at 29 per cent (IBEF, 2018).

1.2 Statement of the problem

The Indian online players have begun to put down roots in India. They have been trying to rope in semi-urban customers too. Many factors have been driving their growth. However, there are problems that seem to hobble their growth every now and then. For example, the Indian customers are still inclined to settle the bill by hard cash, upon delivery of the ordered goods. They are by and large against acquiring credit cards. Most of them are not familiar with the English language but the digital platforms installed by the online players can take instructions only in the English language.

1.3 Review of literature

1. Jay reminds that while 96 percent of Americans shop online, 65 percent of their shopping budget is spent in the store (Jay, 2018). In other words, one cannot afford to focus on only one of the two channels when it comes to one's retail marketing and sales strategy. The Indian market is tricky in that the Indian customer likes to touch and feel the merchandise. The Indian customer believes that the online shopping experience raises the offline shopping experience.
2. Sabari argues that if one wants to shop one's favourite brand online from a global e-commerce website, one should know the additional charges one would pay and ways to minimise these charges (Sabari, 2018).
3. Nandita says that, of the USD 70-billion Indian fashion market today, about USD 7-9 billion is already digitally influenced, quoting a BCG and Facebook report (Nandita, 2017). India is in the midst of a digital transformation and fashion is at the forefront of this change. Of the USD 70 billion Indian fashion market today, about USD 7-9 billion is already digitally influenced. This influence is expected to multiply nearly four times to reach USD 30 billion by 2020. It will account for 60-70 percent of the total branded apparel market, according to a report launched by management consulting firm Boston Consulting Group (BCG) and social networking company Facebook titled 'Fashion Forward 2020.
4. Amresh maintains that e-retailing has generated several options for customers (Amresh, 2017). It is necessary for the e-retailer to identify such customer experiences as prompt the customer to stick with the same e-retailer. Towards this end, the researcher sets out to examine the post-purchase reaction of the customer, which he calls *online post-purchase customer experience* (OPPCE). He develops and validates (OPPCE) His findings reveal that the scale for gauging OPPCE is multi-dimensional, the dimensions being delivery, product-in-hand, return and exchange, customer support, benefits and feel-good factors. By paying attention to these dimensions, e-retailers can enhance customer experience and bag repeat orders.

1.4 Research gap

Informative though the reviewed literature is, one wishes that the reviewed literature had dwelt more on the factors that drive online shopping in the country. An improved coverage of the problems that the online players are confronted with, would have added value to the reviewed literature. It is this gap the present study seeks to bridge.

1.5 Scope of the study

The study confines itself to the two major stake-holder categories associated with the online space, namely, the online players and experts (on the online industry).

1.6 Objectives of the study

1. Identify the factors that drive the online shopping in the country.
2. Identify the problems that the online players are confronted with.

1.7 Hypothesis proposed to be tested

The study proposes to test the following hypothesis:

“Absence of digital platforms in the vernacular irks the customers ”

1.8 Research design

The following paragraphs explain how the research is designed.

1.8.1 Research methodology

The study is descriptive in nature and uses the ‘fact-finding’ survey method. Interview schedules specially designed for the purpose were administered to the respondents for collection of primary data. Being a structured / directive interview, the interview was conducted with a detailed standardised schedule.

1.8.2 Sources of data

Data required for the research has been collected from both primary and secondary sources. Primary data has been collected from online players and experts.

Secondary data has been collected from industry bodies / industry associations including Retailers Association of India (RAI), CII and FICCI. In addition, secondary data has been downloaded from the web sites of the government of India, government of Karnataka, the Reserve Bank of India (RBI) and the financial press.

1.8.3 Sampling plan

Online players: Given the limited number of online players customers from the area covered by the study transact with, purposive or judgmental sampling under the non-probability method has been deployed. The researcher selected 30 such online players. This criterion, according to the researcher, is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus, it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

Experts: Given the limited number of experts online retail operating in the area covered by the study, purposive or judgement sampling under the non-probability method has been deployed. The researcher selected 30 such experts operating in the area covered by the study. This criterion, according to the researcher, is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus, it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

1.8.4 Data collection instruments

Interview schedules, specially designed for the purpose, were drafted and pre-tested in order to identify the possible weaknesses in the instrument. Upon receipt of feedback, they were appropriately revised and finalised for administration to the respondents for collection of primary data.

The Interview Schedules featured open questions and closed questions. Open questions were included since the objective was to identify opinions, ascertain degrees of knowledge and seek suggestions and more information. In some cases, the subject matter of the question could be outside the range of the respondent's experience and hence open questions were deemed a better alternative. Further, open questions would help in determining the depth of the feelings and intensity of the expressions of the respondent (Krishnaswamy & Ranganatham, 2005). Open questions might give the respondent a chance to think through the topic. Since it is practically impossible for the researcher to assess the level of information possessed by the respondent, open questions came in handy. The response freedom inherent in open questions could elicit a variety of frames of references from the respondent, which might provide unanticipated insights. Given the qualitative nature of the values the variables would elicit from the respondents, they could lend themselves ideally to statistical tools like Likert scale and chi-squared test.

1.8.5 Data processing and analysis plan

Non-parametric statistical units were used to test the association between some qualitative characters and conclusions were drawn on the basis of formation of H_0 and H_1 . To be specific, Likert scale and chi-square test were applied to test the hypotheses.

1.8.6 Limitations of the study

Primary data has at times been deduced through constant topic-oriented discussions with the respondents. It is possible that a certain degree of subjectivity, albeit negligible, has found its way in. In addition, one has to admit that the respondents, being human, could err. Hence, the researcher would like to admit that the findings of the thesis, which draw equally heavily from the discussions the researcher held with the said respondents, may have been affected, albeit to a negligible extent. In the circumstances, it will not affect the accuracy of the findings of the study.

1.9 Analysis of primary data collected from the 30 on-line player respondents

In the following paragraphs, the primary data collected from the 30 on-line player respondents is analysed.

1.9.1 Factors that drive online shopping in the country

Many factors drive online shopping in the country. In the circumstances, the researcher requested the respondents to reveal the factors that drive online shopping in the country. Their replies to the query appear in the following Table-1.

Table-1

Factors that drive online shopping in the country

Factors	Number of respondents
Residents of smaller towns find it easier to buy high-value products online since they are not stocked locally	27
Customers are convinced products bought on-line are cheaper than products bought off-line	26
Ordered products are door-delivered to the customer	25
There is a snob appeal attaching to online buying	24
At times, online players stock products that offline players do not stock	22
Online players offer discount, cash vouchers, etc	21

Residents of smaller towns find it easier to buy high-value products online since they are not stocked locally, aver 27 respondents. Customers are convinced products bought on-line are cheaper than products bought off-line, argue 26 respondents. Ordered products are door-delivered to the customer, cite 25 respondents. There is a snob appeal

attaching to online buying, point out 24 respondents. At times, online players stock products that offline players do not stock, remind 22 respondents. Online players offer discount, cash vouchers, etc, remark 21 respondents.

1.9.2 Problems that confront the online players

It is not hunky-dory all the way for online players. The online players face a few problems too, some of them regulatory in nature and yet some otherwise. Hence the researcher requested the respondents to disclose the problems the online players face. Their replies to the query appear in the following Table-2.

Table-2

Problems that confront the online players

Problems	Number of respondents
Customers are reluctant to settle bills online	26
Absence of digital platforms that can interact in the vernacular irks the customers	23
Customers are reluctant to acquire credit cards	22
The merits of online buying notwithstanding, customers still want to feel and touch the product before buying	22

Customers are reluctant to settle bills online, point out 26 respondents. Absence of digital platforms that can interact in the vernacular irks the customers, remark 23 respondents. Customers are reluctant to acquire credit cards, rue 22 respondents. The merits of online buying notwithstanding, customers still want to feel and touch the product before buying, caution 22 respondents.

1.10 Analysis of primary data collected from the 30 experts

In the following paragraphs, the primary data collected from the 30 experts is analysed.

1.10.1 Factors that drive online shopping in the country

Many factors drive online shopping in the country. In the circumstances, the researcher requested the respondents to reveal the factors that drive online shopping in the country. Their replies to the query appear in the following Table-1.

Table-3**Factors that drive online shopping in the country**

Factors	Number of respondents
At times, online players stock products that offline players do not stock	24
Online players offer discount, cash vouchers, etc	22
Ordered products are door-delivered to the customer	21
There is a snob appeal attaching to online buying	20
Customers are convinced products bought on-line are cheaper than products bought off-line	16
Residents of smaller towns find it easier to buy high-value products online since they are not stocked locally	13

At times, online players stock products that offline players do not stock, remind 24 respondents. Online players offer discount, cash vouchers, etc, remark 22 respondents . Ordered products are door-delivered to the customer, cite 21 respondents. There is a snob appeal attaching to online buying, point out 20 respondents. Customers are convinced products bought on-line are cheaper than products bought off-line, argue 16 respondents. Residents of smaller towns find it easier to buy high-value products online since they are not stocked locally, aver 13 respondents.

1.10.2 Problems that confront the online players

It is not hunky-dory all the way for online players. The online players face a few problems too, some of them regulatory in nature and yet some otherwise. Hence the researcher requested the respondents to disclose the problems the online players face. Their replies to the query appear in the following Table-2.

Table-4**Problems that confront the online players**

Problems	Number of respondents
Customers are reluctant to settle bills online	24
The merits of online buying notwithstanding, customers still want to feel and touch the product before buying	24
Absence of digital platforms that can interact in the vernacular irks the customers	21
Customers are reluctant to acquire credit cards	19

Customers are reluctant to settle bills online, point out 24 respondents. The merits of online buying notwithstanding, customers still want to feel and touch the product before buying, caution 24 respondents. Absence of digital platforms that can interact in the vernacular irks the customers, remark 21 respondents. Customers are reluctant to acquire credit cards, rue 19 respondents.

1.11 Summary of findings

In the following paragraphs, a summarised version of the findings arrived at, by analysing the primary data furnished by respondents, is furnished:

1.11.1 Online player respondents

1. Residents of smaller towns find it easier to buy high-value products online since they are not stocked locally, aver 27 respondents. Customers are convinced products bought on-line are cheaper than products bought off-line, argue 26 respondents. Ordered products are door-delivered to the customer, cite 25 respondents. There is a snob appeal attaching to online buying, point out 24 respondents. At times, online players stock products that offline players do not stock, remind 22 respondents. Online players offer discount, cash vouchers, etc, remark 21 respondents.
2. Customers are reluctant to settle bills online, point out 26 respondents. Absence of digital platforms that can interact in the vernacular irks the customers, remark 23 respondents. Customers are reluctant to acquire credit cards, rue 22 respondents. The merits of online buying notwithstanding, customers still want to feel and touch the product before buying, caution 22 respondents.

1.11.2 Experts

3. At times, online players stock products that offline players do not stock, remind 24 respondents. Online players offer discount, cash vouchers, etc, remark 22 respondents. Ordered products are door-delivered to the customer, cite 21 respondents. There is a snob appeal attaching to online buying, point out 20 respondents. Customers are convinced products bought on-line are cheaper than products bought off-line, argue 16 respondents. Residents of smaller towns find it easier to buy high-value products online since they are not stocked locally, aver 13 respondents.
4. Customers are reluctant to settle bills online, point out 24 respondents. The merits of online buying notwithstanding, customers still want to feel and touch the product before buying, caution 24 respondents. Absence of digital platforms that can interact in the vernacular irks the customers, remark 21 respondents. Customers are reluctant to acquire credit cards, rue 19 respondents.

1.12 Conclusions

Conclusions are inferences/generalisations drawn from the findings and relate to hypotheses. They are answers to the research questions or the statements of acceptance or rejection of hypotheses. As explained already, this study proposes to test the following hypothesis:

“Absence of digital platforms in the vernacular irks the customers”

Hence H_0 and H_1 are as follows:

H_0 : Absence of digital platforms in the vernacular does not irk the customers

H_1 : Absence of digital platforms in the vernacular irks the customers

On the basis of the primary data collected from the respondents, vide Tables: 1, 2 and 3, a chi-square test was applied to ascertain the association, if any, between the three variables. The following Table reveals the computation made using MS-Excel.

	Category	Observed Values		
		Yes	No	Total
	Online players	23	7	30
	Experts	21	9	30
	Total	44	16	60
		Expected Values		
	Category	Yes	No	Total
	Online players	22	8	30
	Experts	22	8	30

	<i>Total</i>	44	16	60
		<i>Yes</i>	<i>No</i>	
2	<i>o-e</i>	1.0000	-1.0000	
		-1.0000	1.0000	
	$(o-e)^2$	1.0000	1.0000	
		1.0000	1.0000	
	$((o-e)^2)/e$	0.0455	0.1250	
		0.0455	0.1250	
	<i>CV</i>	0.0909	0.2500	0.3409
	<i>TV</i>			3.8415
	<i>p</i>			0.9870

The calculated value of χ^2 is 0.3409, lower than the table value of 3.8415 for an alpha of 0.05 at one degree of freedom. Hence the null hypothesis is not rejected, and the research hypothesis is rejected. $p=0.9870$ is the inverse of the one-tailed probability of the chi-squared distribution.

1.13 Recommendations

The following are the researcher's recommendations:

1. In the Indian market, price will remain the major factor to motivate the prospects to buy online too. Online players should bear this fact in mind while formulating their strategies.
2. Whether the article being bought online is an item of necessity or an item of luxury, price will continue to play a role in the Indian online market too.
3. Door-delivering the ordered goods is the online players' trump card. These are days when both the spouses are breadwinners and joint families are seldom seen in urban and semi-urban pockets. This implies that barring the weekends and other holidays, the spouses are invariably away at the workplace. Online players should exploit the door-delivery feature to the hilt.
4. Online shopping has embedded *showrooming* into the shopping habit of Indian consumers. This is welcomed by online players in the Western markets but in India, the online players should think twice before welcoming it! Given the Indian customer's penchant for "touch and feel shopping", showrooming will assume the opposite direction in India. In the west, showrooming refers to the consumer going to a conventional store to look up a product before buying it online for a cheaper price. In India, given their preference for "touch and feel shopping", prospects would buy from the offline marketer after ensuring that the price quoted by the offline marketer is not more than that quoted by the online player. Thus, the prospects ensure that they have the best of both worlds. This is particularly true of purchases involving high-value items / highly sophisticated items / items that carry a guarantee or warranty and requiring after-

sales service that need to be demonstrated by the marketers for the benefit of the consumers. This kind of “reverse showrooming, so to speak, is typical of the Indian market. The researcher would like to advise the online players that *showrooming*, if construed in the Western sense, is going to hurt them! They had better be careful!

5. In the Indian market, prospects will patronise online marketers for products which are plug-and-play or easy-to-use in nature or products which do not require after-sales service or what have you. Even here, if the manufacturer concerned does not provide guarantee / warranty when the consumer buys their products online (as some manufacturers like Lenovo India have already done), consumers will stay away from online marketers at least in respect of such products. Hence online players had better be careful before merchandising such products.
6. The online marketers should popularise online purchases by exploiting the snob appeal latent in online purchases. On line buyers are viewed as geeks and at least in the Indian scenario, geeks are supposed to be an affluent lot, never hesitant to splurge, particularly on consumer goods .
7. Indian consumers will not buy certain items from the offline marketers since such purchases are taboo in the conservative Indian society. Hence, they can buy them discreetly from the online marketers. This advantage of online buying should be widely publicised by the online marketers. Many prospects are not aware of the fact that online buying is ideal for discreet purchases.

1.14 References

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