

# The Dynamics Of The Online Shopping - An Analysis

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## **ABSTRACT:**

With the advent of the smart phone many wonders have come to be born, blossomed and flourished. The 'online syndrome' is pervading most of the upper middle class as well as lower middle class. Many famous and popular sites like flipcart, Amazon, snap deal, lime and hundreds of other sites in the form of advertisements appear before you as soon as you open your internet and search for certain things. You allow access to your contacts, photographs, gallery and other things only one site; and all the information about yourself automatically reaches other operative sites as a part of business. Advertisements lure you to buy those products which look very attractive in looks and price.

It is worth studying to what extent online shopping is really beneficial for the customer and in what respects it is taxing on the customer's pocket. At the same time it is also to be seen what dynamics and strategies are applied by the online traders to promote their business. This paper makes a humble effort to study certain important issues that online shopping involves and to explore whether in the ultimate analysis it is in the genuine interest of the customer or not.

**Keywords: Online Shopping, Dynamics, Blogging, Shipping, Invoicing.**

## **INTRODUCTION:**

Online shopping is a modern phenomenon in this E-world where technology dominates every field of life. Marketing strategies have been undergoing a sea change with the advancement of science and technology and never and never techniques are being invented to make marketing as well as shopping an exiting experience. 'Comfort' is the basis idea around which all the concepts and theories keep on moving in this modern world. From shops and outlets to huge malls where everything is made available under one roof to the customers. But with the new online shopping, even the idea of purchasing things under one roof has been related to a secondary place; and now the idea of shopping at a single web-site has been in vogue to a large extent. Those who are shopping maniac, how find it easy to visit shopping web-sites, more there fingers, select the products and order them immediately.

The experience becomes all the more interesting and entertaining simply because seated at home. One can place an order and the product will be delivered at one's doorstep. No product is unavailable on there online shopping sites and the big claims are made about the comparatively cheaper prices, as sometimes they call it 'throw away prices'. However, it is necessary to see to what extent their online shopping is really in the interest of the customers. This papers makes a humble effort to explain the dynamics of the online business. The advantages of online shopping and marketing and at the same time its impact on the traditional marketing and the risks online shopping involves. In fact, this topic needs a comprehensive study with a view to creating social awareness about online shopping so that the customers are not put to any loss.

### **The Dynamics of E-Business:**

“The internet is the great equalizer. In business specifically, it has leveled the playing field. Anyone can start a money-making online business—anyone with a computer, that is. Virtually no technical experience is needed.” (1) One doesn’t have to know how to build websites—no programming knowledge is required at all. Today there are plenty of tools that you can use to build an online business that makes the technical work a lot easier than it was in the past.

“You can also live anywhere you want, set your own schedule, and work as little or as much as you want, depending on how fast or big you want your business to grow. No business or marketing experience is needed either. It’s a truly democratic medium for entrepreneurship”.

**(Brain Edmondson, Online Business Basics). (2)**

The best thing about online business is that one does not need a lot of startup capital. In fact, one can get many internet businesses up and running with no money at all because so many free services facilitate the possibility. For example, one can set up a website or blog for free using WordPress. Or one can leverage a third-party site like Amazon or eBay to sell goods with no inventory costs. They can use their selling platform in exchange for giving them a cut of their sales. And this is just the start of the many available no-money e-commerce startup solutions. There are five top way have online business is classified.

#### **1. Drop Shipping:**

Drop shipping is generally a very common way.

The basic idea behind an online drop shipping business is that, as a small business owner, you don’t have to maintain a large inventory (or any inventory whatsoever) of products or handle any delivery to your customers. That eliminates the financial cost and risk of having a warehouse full of stuff you might not sell, and the hassle of arranging to send orders all over the country or the world. In fact, you don’t have to manufacture or store any products at all.

The only thing one has to focus on is marketing and advertising to find the customers and make the sales. Once the sale is made the rest is handled by others. The only cost one has to bear is the expense of marketing and advertising to acquire a new customer.

#### **2. Affiliate Marketing:**

Affiliate marketing is somewhat similar to drop shipping but with some key differences. With this e-commerce model, you again don’t maintain an inventory of your own products, and you don’t have to worry about shipping products to customers.

Basically, you pick a profitable niche for your online business, and then you find an affiliate partner who has products available in that niche. Some of the most popular affiliate sites are Clickbank.com, Amazon.com, and CJ Affiliate by Conversant (formerly Commission Junction). Between them, they offer just about any digital information product (like ebooks, audio files, video files) or physical product you can think of. May big name companies and brands, like Wal-Mart, Home Depot, etc. run their affiliate programs through these third-party affiliate sites.

With affiliate marketing, you offer the products for sale, for example, on your blog or e-commerce website. Each product has a unique link that tracks back to your account with your affiliate partner. A prospect who clicks on the link is taken to your partner's shopping cart for checkout. Once they buy, that purchase is recorded and you receive a commission. It varies depending on the affiliate partner, but is generally 5 percent to 25 percent, or 50 percent or more with digital information products.

### 3. **Blogging:**

“If you have expertise or a passion or interest for a subject, you're ready to start making money with a blog. With a service like Blogger ([www.blogger.com](http://www.blogger.com)), you can start up your blog totally free. You can also create your own site and secure your own hosting for a low price, which is generally the route I recommend, as many free blogging sites have restrictions on what you can say or do, including making money or advertising.” (3)

You may think blogging is all about writing. And it can be if that's what you want to do. But written blog posts are just the start. You can post photos, videos, and links to other sites, repost news and other articles... anything is game, really, as long as it relates to your niche.

The key is that you want to post original content that is useful to your target audience and to post on a regular basis. That is the best way to get ranked in the search engines and to also get your audience to take action.

as far as contents are concerned, anything that is engaging to your prospect. How-to topics, top-10 lists, commentary on trends in your niche, tips and tricks articles—basically, you need to provide useful content. There's no shortage of ideas for your blog.

### 4. **Online Video**

Youtube is one of the world's most popular websites, with more than 1 billion users watching hundreds of millions of hours of video each day. And it's not all cats doing funny things, by any means.

You can leverage YouTube's reach to make money online. No, you're not trying to create a viral video, so to speak, although if it does go worldwide and is seen by millions, that's a good thing.

Instead, you'll be following a proven strategy for maximizing views of multiple videos on a regular basis. You'll be creating useful content...something engaging that people want to watch. And it works in many, many different niches. It could be a how-to video, a talking-head video on a topic of interest to people interested in your niche...the sky is the limit.

You make money with ad revenue. Your first step is to create a YouTube account and start uploading videos. Then you enable monetization on your YouTube settings. Basically, this gives Google the go-ahead to include short AdSense ads with your videos, which you've seen if you've watched a YouTube video. When viewers click on those ads, you get paid.

Another opportunity to make money with a YouTube channel is through paid sponsorships. Build a large enough following and companies will be more than happy to pay you to promote or mention their products and services in your videos.

## 5. Information Products

When you have an internet business, it doesn't have to be about selling physical products. In fact, digital information products are one of the easiest and quickest ways to make money. Outside of affiliate marketing, it's probably one of my favorite ways to make money online.

There's no shortage of ways to create information products, but the most popular formats include audio, Video and text in the form of e-book.

No matter which way you do it, it's passive income—money you earn while you sleep because you put these products up for sale on your website and a customer can buy and download them any time of day or night, automatically. All you have to do is check the sales periodically to see what topics or types of products are selling best so that you can make more of those.

### **Online Invoicing Services for Small-Business Owners steps to be taken:**

#### **Step 1: Find a need and fill it.**

Most people who are just starting out make the mistake of looking for a product first, and a market second.

“To boost your chances of success, start with a market. The trick is to find a group of people who are searching for a solution to a problem, but not finding many results. The internet makes this kind of market research easy:

One should visit online forums to see what questions people ask and what problems they're trying to solve.” (4)

One should also do keyword research to find keywords that a lot of people are searching, but for which not many sites are competing.

One should also check out one's potential competitors by visiting their sites and taking note of what they're doing to fill the demand. Then one can use what one has learned and create a product for a market that already exists -- and do it better than the competition.

#### **Step 2: Write copy that sells.**

There's a proven sales copy formula that takes visitors through the selling process from the moment they arrive to the moment they make a purchase:

The matter should be drafted in such catchy words that it should arouse interest with a compelling headline, describes the problem that your product solves. One should establish one's audibility as a solver of the problem. One should also add testimonials from people who have used the products. One should talk about the product and how it benefits the user. Giving offers and guarantees is highly necessary.

#### **Step 3: Design and build your website.**

Once you've got your market and product, and you've nailed down your selling process, now you're ready for your small-business web design. Remember to keep it simple. You have fewer than five seconds to grab someone's attention -- otherwise they're gone, never to be seen again.

One or two plain fonts on a white background are chosen.

Navigation clear and simple, and the same on every page is ensured.

Only graphics, audio or video to enhance your message and used.

An opt-in offer to collect e-mail addresses is included.

Buying is made no more than two clicks between potential customer and checkout.

Your website is your online storefront, so it is made customer-friendly.

#### **Step 4: Use search engines to drive targeted buyers to your site.**

“One should go in for pay-per-click advertising which the easiest way to get traffic to a brand-new site. It has two advantages over waiting for the traffic to come to you organically. First, PPC ads show up on the search pages immediately, and second, PPC ads allow you to test different keywords, as well as headlines, prices and selling approaches.” (5) Not only do you get immediate traffic, but you can also use PPC ads to discover your best, highest-converting keywords. Then you can distribute the keywords throughout your site in your copy and code, which will help your rankings in the organic search results.

#### **Step 5: Establish an expert reputation.**

People use the internet to find information and provide that information for free to other sites, and there by see more traffic and better search engine rankings are available. The secret is to always include a link to your site with each tidbit of information.

Give away free, expert content. Create articles, videos or any other content that people will find useful. Distribute that content through online article directories or social media sites. Include "send to a friend" links on valuable content on your website. Become an active expert in industry forums and social networking sites where your target market hangs out.

You'll reach new readers. But even better, every site that posts your content will link back to yours. Search engines love links from relevant sites and will reward you in the rankings.

#### **Step 6: Use the power of email marketing to turn visitors into buyers.**

When you build an opt-in list, you're creating one of the most valuable assets of your online business. Your customers and subscribers have given you permission to send them email. That means:

You're giving them something they've asked for.

You're developing lifetime relationships with them.

The response is 100 percent measurable.

Email marketing is cheaper and more effective than print, TV or radio because it's highly targeted.

Anyone who visits your site and opts in to your list is a very hot lead. And there's no better tool than email for following up with those leads.

#### **Step 7: Increase your income through back-end sales and upselling.**

One of the most important internet marketing strategies is to develop every customer's lifetime value. At least 36 percent of people who have purchased from you once will buy from you again if you follow up with them. Closing that first sale is by far the most difficult part -- not to mention the most expensive. So use back-end selling and upselling to get them to buy again:

Products are offered that complement their original purchase.  
 Electronic loyalty coupons are sent out for them to redeem on their next visit.  
 Products are offered on your "Thank You" page after they purchase.  
 Your customers are rewarded for their loyalty and they'll become even more loyal.  
 This mechanism is used to run on online business.

### **Advantages of Online Shopping**

It would be relevant here to find out what are the advantages of online shopping for customers.

Online stores do not have space constraints and a wide variety of products can be displayed on websites. It helps the analytical buyers to purchase a product after a good search.

#### **1. Convenience of online shopping**

“Customers can purchase items from the comfort of their own homes or work place. Shopping is made easier and convenient for the customer through internet. It is also easy to cancel the transactions.” (6)

The following table depicts the factors which motivate the online shoppers to buy products online.

Top 6 reasons given by shoppers in buying through internet

Saves time and efforts.

Convenience of Shopping at home.

Wide variety / range of products are available.

Good discounts / lower prices.

Get detailed information of the product.

We can compare various models / brands.

Source: I-Cube 2006, a syndicated product of IMRB International.

#### **2. No pressure shopping**

Generally, in physical stores, the sales representatives try to influence the buyers to buy the product. There can be some kind of pressure, whereas the customers are not pressurized in any way in online stores.

#### **3. Online shopping saves time**

Customers do not have to stand in queues in cash counters to pay for the products that have been purchased by them. They can shop from their home or work place and do not have to spend time traveling. The customers can also look for the products that are required by them by entering the key words or using search engines.

#### **4. Comparisons**

Companies display the whole range of products offered by them to attract customers with different tastes and needs. This enables the buyers to choose from a variety of models after comparing the finish, features and price of the products on display, Sometimes, price comparisons are also available online.

### **5. Availability of online shop**

The mall is open on 365 x 24 x 7. So, time does not act as a barrier, wherever the vendor and buyers are.

### **6. Online tracking**

Online consumers can track the order status and delivery status tracking of shipping is also available.

### **7. Online shopping saves money**

To attract customers to shop online, e-tailers and marketers offer discounts to the customers. Due to elimination of maintenance, real-estate cost, the retailers are able to sell the products with attractive discounts through online. Sometimes, large online shopping sites offer store comparison.

### **Disadvantages of online shopping**

Ease of use is the prime reason that drives the success of e-commerce. Though internet provides a quick and easy way to purchase a product, some people prefer to use this technology only in a limited way. They regard internet as a means for gathering more information about a product before buying it in a shop. Some people also fear that they might get addicted to online shopping.

The major disadvantages of online shopping are as follows.

#### **1. Delay in delivery**

Long duration and lack of proper inventory management result in delays in shipment. Though the duration of selecting, buying and paying for an online product may not take more than 15 minutes; the delivery of the product to customer's doorstep takes about 1-3 weeks. This frustrates the customer and prevents them from shopping online.

#### **2. Lack of significant discounts in online shops**

Physical stores offer discounts to customers and attract them so this makes it difficult for e-tailers to compete with the offline platforms.

#### **3. Lack of touch and feel of merchandise in online shopping**

Lack of touch-feel-try creates concerns over the quality of the product on offer. Online shopping is not quite suitable for clothes as the customers cannot try them on.

#### **4. Lack of interactivity in online shopping**

Physical stores allow price negotiations between buyers and the seller. The show room sales attendant representatives provide personal attention to customers and help them in purchasing goods. Certain online shopping mart offers service to talk to a sales representative,

#### **5. Lack of shopping experience**

The traditional shopping exercise provides lot of fun in the form of show-room atmosphere, smart sales attendants, scent and sounds that cannot be experienced through a website. Indians generally enjoy shopping. Consumers look forward to it as an opportunity to go out and shop.

## 6. Lack of close examination in online shopping

“A customer has to buy a product without seeing actually how it looks like. Customers may click and buy some product that is not really required by them. The electronic images of a product are sometimes misleading. The colour, appearance in real may not match with the electronic images.” (7)

People like to visit physical stores and prefer to have close examination of good, though it consumes time. The electronic images vary from physical appearance when people buy goods based on electronic images.

## 7. Frauds in online shopping

Sometimes, there is disappearance of shopping site itself. In addition to above, the online payments are not much secured. So, it is essential for e-marketers and retailers to pay attention to this issue to boost the growth of e-commerce. The rate of cyber crimes has been increasing and customers' credit card details and bank details have been misused which raise privacy issues.

Customers have to be careful in revealing their personal information. Some of the e-tailers are unreliable.

The disadvantages of online shopping will not hinder its growth, Online shopping helped businesses to recover from the recession.

Merchants should pay attention to the stumbling blocks and ensure secure payment system to make online shopping effective, The following advice may be followed by the E-merchants and by the online shoppers.

### Impact of traditional business:

Since online shopping has become popular, mostly with urban and metropolis population, traditional businesses have suffered a lot in regard to sale and profit. Since many prefer to online buying, wholesalers as well as retailers these days find it difficult to sustain their business and online purchases can be done in retail as well as in wholesale. Thousands of retail shops where earlier counter sales was tremendous are now facing financial crises simply because they do not get that much business to maintain the outlet and the exporters incurred in regard and rent, electricity, employees' salary, taxes, insurances and security.

Many retailers and as wholesalers have closed down their respective businesses or changed them to some other products. Great employment problem has also arisen out of their situation and online businesses have now formed their monopoly which is detrimental to the interest of the customer in general.

### Conclusion:

The world is changing and becoming faster in every respect. But 'Comfort' as said earlier is the crux of the whole of our advancement in every field. 'Luxury' and 'Comfort' are the two concepts that govern our technological and scientific advancement. E-business is also springs up from those two concepts only. but every advancement has pros and cons and so it becomes necessary for the end targets to see and check whether they are becoming victims of the fraud or cheating that is being played with them. Online shopping may prove itself a great boon for the mankind. We must gladly accept this change in this world. But let us always be careful while shopping, buying a purchasing anything online with careful examination of every aspect of it.



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